



**Arkansas Department of
Health**

**4815 West Markham
Street**

**Little Rock, Arkansas
72205-3867**

**Paul K. Halverson, DrPH,
FACHE**

**Director and State Health
Officer**

WIC EBT Pilot Project IAPD - UPDATED





Arkansas Department of Health
WIC EBT Pilot Project
Implementation Advance Planning Document - UPDATED
June 14, 2013

FOREWORD

In 2008, the Arkansas Department of Health (ADH) received a grant from the U.S. Department of Agriculture Food and Nutrition Service (USDA FNS) to conduct feasibility and planning activities for a WIC Electronic Benefit Transfer (EBT) system. ADH selected Burger, Carroll & Associates, Inc. (BCA), through competitive procurement, as its WIC EBT feasibility and planning contractor. The ADH WIC EBT Feasibility Study and Cost Benefit Analysis, approved July 28, 2011, concluded that conversion to an EBT food delivery system is affordable and beneficial to Arkansas. On July 20, 2012 USDA FNS approved the Arkansas WIC Program's original Implementation Advance Planning Document (IAPD). This Updated Implementation Advance Planning Document (IAPDU) clarifies the state agency's plans and will complete the planning phase for Arkansas WIC's transition to an Electronic Benefits Transfer (EBT) food delivery system.

Arkansas Department of Health staff produced this IAPDU in accordance with ADH specifications and in a manner compliant with the requirements of the federal sponsor of the WIC Program, the U.S. Department of Agriculture's Food and Nutrition Service (USDA FNS).¹ The Project Team gratefully acknowledges the assistance and commitment to this work product by ADH staff and the staff of the USDA Food and Nutrition Service, notably Phil Swain of the FNS Southwest Regional Office.

This project has been funded at least in part with Federal funds of \$634,705 (TABLE 2-1) from the U.S. Department of Agriculture, Food and Nutrition Service, under this Cooperative Agreement. Other sources of funding include \$183,150 (TABLE 7-1) in contributions from other WIC State Agencies and through redirections of realized cost savings activities. The contents of this publication do not necessarily reflect the view or policies of the U.S. Department of Agriculture, nor does mention of trade names, commercial products, or organizations imply endorsement by the U.S. Government.

¹ USDA/FNS Handbook 901, Section 4.2.3.1. EBT PLANNING ACTIVITIES ("FNS_APD-WICEBT Update-june2010.pdf")



Arkansas Department of Health

4815 West Markham Street • Little Rock, Arkansas 72205-3867 • Telephone (501) 661-2000

Governor Mike Beebe

Nathaniel Smith, MD, MPH, Interim Director and State Health Officer

June 14, 2013

Vanessa Head
State Technology Branch
Food and Nutrition Service, USDA
3101 Park Center Dr., Room 708
Alexandria, VA 22302-1500

Dear Ms. Head,

I am pleased to submit the Arkansas WIC Program's Updated Implementation Advance Planning Document (IAPDU) for the WIC Electronic Benefit Transfer (EBT) Pilot Project Implementation for your review and approval. The Arkansas Department of Health and WIC Program look forward to the opportunity to move forward in our pursuit of EBT.

Thank you for your consideration of this document. Please contact me if you have further questions.

Sincerely,

Susan Handford, Director
Arkansas WIC/Nutrition Program

Enclosures

Cc: Michael Kincaid
Darrell Allen
Phil Swain
Namvar Zohoori, MD



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1. EXECUTIVE SUMMARY

The Arkansas WIC Program is embarking on the final activities to facilitate the transition to an Electronic Benefits Transfer (EBT) system. Following the successful implementation of the SPIRIT State Agency Model (SAM) in 2008, the program initiated the planning phase to move toward EBT and contracted with Burger, Carroll & Associates to conduct planning and feasibility activities.

The ADH WIC EBT Feasibility Study and Cost Benefit Analysis, approved July 28, 2011, determined that conversion from paper-based WIC food delivery to an Electronic Benefit Transfer (EBT) system is affordable and will provide significant benefits including greater client convenience, reduced food delivery costs, and a streamlined retailer settlement process.

The Arkansas Department of Health (ADH) and Burger, Carroll & Associates (BCA) considered six different platform and operational alternatives, examined the findings from seven WIC EBT implementations, and conducted a survey and data collection initiative to determine retailer interest and readiness to participate in WIC EBT. The results of the feasibility study identified a smartcard-based hybrid-outsourced solution that fits well within the context of ADH operations and capacity.

In August 2011, FNS awarded the Arkansas WIC Program \$634,705 (TABLE 2-1) to begin EBT pilot project activities. On July 20, 2012, the state agency's original IAPD document was approved by USDA FNS and the grant funds have been released for development and implementation of the Arkansas EBT project and WIC EBT Testing Lab. The Arkansas Department of Health is currently finalizing completion of the WIC EBT testing and training laboratory, which will not only benefit ADH, but is anticipated to be used by retailers and developers. The lab may also serve to host WIC EBT certification and testing activities by other smartcard WIC agencies.

Arkansas WIC has been an active member of the SPIRIT User Group (SUG) from onset of system implementation in 2007. The current SPIRIT contractor has indicated that development of Universal Interface Compliance and the subsequent smartcard EBT functionality is at least three to four years in the future. This estimated timeframe will significantly inhibit and delay Arkansas WIC's ability to secure resources needed to implement EBT functionality by the 2020 WIC EBT mandate deadline. Efforts to comply with the 2020 WIC EBT mandate have created nationwide competition for future resources as other state agencies move to implement solutions. The delay also puts Arkansas WIC at risk for losing funding already awarded for the purposes of delivering an offline EBT solution. The \$300,000 in CFDA grant funds for the development of smartcard EBT functionality, awarded August 2011, must be obligated for the purpose of implementing the Arkansas WIC EBT Pilot Project by September 30, 2014.



In order to meet the 2020 EBT mandate and retain already awarded grant funding, the Arkansas Department of Health's WIC Program will develop a smartcard EBT solution that is compliant with the Universal Interface Document using the existing SPIRIT source code through a competitive RFP process. The Arkansas WIC Program will move forward, independent from the current SPIRIT User Group processes, to deliver a smartcard EBT system in an efficient and cost-effective manner within 18 months of the contract award date for development of smartcard EBT functionality.

On September 20, 2012, the Arkansas WIC Program presented a Smartcard EBT White Paper to USDA FNS for review. The response from FNS was received by the state agency on December 28, 2012. USDA FNS has been informed and is aware the Arkansas WIC Program is developing a strategy to "alter the SPIRIT source code and develop smartcard EBT services" outside of the existing SPIRIT User Group environment. It is the intent of the Arkansas WIC Program to streamline the EBT expansion process with an independent system development that will avoid the potential for delays and one technology negatively influencing others.

ADH is committed to developing a smartcard WIC EBT solution that is in full compliance with all relevant federal and state laws and standards and will work closely with FNS to monitor emerging requirements including the National Universal Product Code Database, the Universal Interface Document, and the EBT Business Process and Technical guidelines. Additionally, Arkansas WIC will coordinate with FNS and all project contractors in establishing full and complete documentation of all project activities and system enhancements so that other states may choose to adopt the offline solution with minimal modification efforts.

TABLE 7-1 in this document provides an itemized narrative of the project budget (by FFY) along with the funds already approved and/or expended for each cost element. The state agency will work closely with FNS to identify potential opportunities to collaborate with other WIC authorities and to redirect any remaining grant funds once final costs for the EBT Test Lab and other equipment purchases are available.

Once the smartcard EBT solution is developed, the pilot project, anticipated to go live in Miller County in 2015, will span three full months in order to gain an understanding of the implementation costs and activities expected with statewide expansion of WIC EBT. Immediately following the pilot project, The WIC Program will complete a thorough cost evaluation study for FNS's consideration.

A formal post-pilot cost evaluation study, proposed statewide WIC EBT Implementation Plan, and development of a smartcard EBT solution that is compatible with the current SPIRIT source code will be the primary deliverables produced by this project. The Arkansas WIC Program and WIC



Authorized Retailers are motivated to support the statewide expansion of the smartcard EBT system before the end of 2016.



2. PROJECT DESCRIPTION

The Arkansas Department of Health (ADH) administers its Supplemental Nutrition Program for Women, Infants, and Children (WIC) with funding and guidance from the USDA Food and Nutrition Service (FNS). WIC is a nutrition intervention program for pregnant, breast-feeding, and postpartum women, infants, and children up to age five who are identified as being medically or nutritionally at risk. WIC provides three main program benefits to program participants: nutrition screening and education, access to health care, and a monthly package of supplemental foods. The supplemental foods are high in iron, calcium, and Vitamins A and D, nutrients that tend to be deficient in the diets of the target population. WIC has been shown to have a positive impact on birth outcomes and a number of maternal and child health indices.

ADH completed successful implementation of the Successful Partners in Reaching Innovative Technology (SPIRIT) State Agency Model (SAM) in 2008. The Center for Health Advancement (CHA) Nutrition/WIC Branch administers the in-house Arkansas SPIRIT system, with operations support provided by the Center for Local Public Health and the ADH Information Technology Services (ADH IT) unit of the Office of the Deputy Director for Administration.

As revealed in our SPIRIT Implementation Advance Planning Document (IAPD) from 2007, ADH has long anticipated that the system will be enhanced to support WIC EBT functionality. Accordingly, we have monitored the success of the six geographic states and three Independent and Tribal Organizations (ITOs) that operate program-wide and pilot WIC EBT systems. The Chickasaw Nation's online WIC EBT system, launched agency-wide in October 2010, involves integration of SPIRIT but lacks the functionality needed to support Universal Interface and Smartcard EBT.

The ADH Feasibility and Cost Benefit Study were approved by FNS on July 28, 2011. The study concluded conversion from paper-based food delivery to WIC EBT is affordable and will result in significant benefits including greater client convenience, reduced food delivery costs, and a streamlined retailer settlement process. The findings further indicate an offline smartcard-based system, hosted by a financial services contractor, offers the most advantageous solution for WIC EBT in Arkansas.

On July 20, 2012, the Arkansas WIC EBT Pilot Project Implementation Advance Planning Document (IAPD) was approved by USDA FNS. Following the approval of the IAPD, the state agency learned the current SPIRIT contractor estimated development of Universal Interface compliance and the subsequent Smartcard EBT functionality is at least three to four years in the future. The current Spirit contractor project delivery is noted to exceed initial timelines (i.e. data sync/ACM, vendor module, etc.).



In response, the Arkansas WIC Program worked closely with the USDA FNS Southwest regional office, WIC EBT industry, and subject matter experts, and other smartcard EBT states to develop a white paper informing USDA FNS of the state agency's intent to "Alter the SPIRIT Source Code and Develop Smartcard EBT Services". The estimated timeline for development of Smartcard EBT functionality was reasonably determined to be from 7 to 18 months, including two months for state and FNS User Acceptance Testing. The white paper was submitted to USDA FNS on September 20, 2012 and the response was delivered to Arkansas on December 28, 2012.

When successful development of the smartcard EBT functionality is delivered, the Arkansas WIC state agency will provide the SPIRIT Executive Steering Committee (ESC) with at least thirty (30) calendar days' notice prior to transitioning to the new system, as instructed by the SPIRIT Enhancement RFP that will soon be awarded. Any existing enhancements, change orders, and defect resolutions already in the SPIRIT queue will be made available to Arkansas and the state agency shall become an Auxiliary member of the SPIRIT User Group.

The Arkansas WIC Program fully supports the SPIRIT system and State Agency Model (SAM) concept but recognizes the need for smartcard modifications in a sound and timely manner. This effort will benefit the MIS side of SPIRIT by bringing it into compliance with the Universal Interface Document for use by both the online and smartcard EBT technologies. In addition, the smartcard EBT module will enhance the relevancy of the functionality of the system for prospective transfer state agencies interested in implementing a smartcard solution.

The Arkansas WIC EBT smartcard functionality will be an easily transferable public domain module and will:

- Have no negative impact on existing SPIRIT User Group members
- Provide another system option for smartcard WIC state agencies
- Minimize conflicts and competition for resources in the WIC environment
- Not be restricted to exclusive use by the SPIRIT SAM System
- Be developed as a plug and play extended functionality component
- Comply with Universal Interface and National UPC database functionality requirements
- Adhere to USDA FNS EMV Security Requirements, when finalized
- Conform to the WIC EBT Operating Rules and Technical Implementation Guidelines
- Provide additional opportunities for sharing valuable information and scarce resources among WIC state agencies



In summary, this effort ensures the Arkansas WIC State Agency will meet the 2020 EBT mandate and positively contribute to the overall USDA SAM concept by providing a smartcard solution for future EBT states to implement.

2.1 TOTAL ANTICIPATED FUNDS REQUIRED FOR THE EBT PILOT PHASE

As detailed in the original IAPD approved in July 2012, the Arkansas WIC EBT Project Pilot will operate in Miller County for 3 months with the initial funding approved from August 15, 2011 through September 30, 2013 to allow for statewide expansion planning and follow up evaluation of the pilot project. In March 2011, Arkansas WIC requested \$1,079,430 through the Project Pilot Implementation Grant Application [CFDA 10.578], and was awarded \$634,705 on August 4, 2011, contingent upon approval of the IAPD document. Table 6-2 in this document contains the updated timeline incorporating changes in the project plan since approval of the original IAPD.

With the funding received from USDA FNS, Arkansas WIC and ADH ITS has constructed a new secure and dedicated state-of-the-art EBT MIS testing and training laboratory with 22 workstations and full whiteboard/presentation/conferencing capabilities. Once additional WIC retailer input is obtained by staff the testing lab will also house 3 POS systems most commonly used in the state.

Since Arkansas is centrally located, our goal is to provide a modern common WIC EBT testing and meeting location for retailers and other state agencies, saving time and money overall in travel expenses, etc. Arkansas WIC has held informal discussions concerning the shared use of the EBT MIS testing and training laboratory with states planning implementation of smartcard WIC EBT systems. This will reduce retailer certification demands and enhance future interoperability possibilities between bordering states with shared retailers. Any interoperability discussions will be facilitated by the continued guidance of FNS and with consideration of each state's respective policies and requirements.

Arkansas WIC does not anticipate requiring additional financial support to plan and implement the pilot project. In addition, recent discussions with other state agencies in various stages of EBT planning show promising opportunities for the sharing of resources and a commitment to collaborate in the writing of RFPs and identifying system requirements. Arkansas WIC will continue to work closely with USDA FNS to identify additional funding opportunities and requirements through future IAPDU submissions, as necessary.

TABLE 2-1 documents the original Arkansas WIC EBT Pilot Project budget request from March 2011 and the FNS funding awarded in August 2011 based on the original project timeline. Due to additional timeline adjustments to develop the smartcard EBT module through a competitive RFP



process, the project budget has been revised in TABLE 7-1 to accommodate the limits of the original funding period and reflect changes identified in the current costs for the required services and resources.

TABLE 2-1

AUGUST 15, 2011 – SEPTEMBER 30, 2013

AS-AWARDED [CFDA 10.578]

BUDGET FOR MILLER COUNTY EBT PILOT PROJECT (Requested March 2011)		
COST ELEMENT	DESCRIPTION	BUDGET
Personnel	<u>Extra Help Staff</u> (\$15/Hr @ 1020 Max + Fringe) - \$18,216 The use of extra-help clerical personnel will allow clinic staff to be available for training and demonstrations as needed while preparing for pilot and throughout the project	\$18,216 <i>Approved as requested</i>
Travel	<u>Out-Of-State</u> travel will be required for Retailer Certifications prior to and during the pilot project if changes/updates to the system are required <u>In-State</u> travel costs will be incurred by ADH IT and WIC Regional and State Office Staff to meet with local clinic staff and retailers for training, monitoring, and to evaluate the pilot project's progress	\$20,000 <i>Approved as requested</i>
Contractor Costs	<u>SPIRIT Enhancements</u> (\$600,000) The software developer/contractor has provided the Arkansas WIC Program an estimate to enhance the SPIRIT system for offline EBT <u>Quality Assurance Contractor</u> (\$200,000) Arkansas WIC proposes to choose a qualified QA Contractor through a competitive RFP process to provide additional guidance and oversight during the pilot project implementation phase	\$800,000 <i>\$400,000 Approved</i>
Retailer Equipment Costs	<u>WIC Certified ECR System Reimbursement</u> (119 lanes @ \$200/each) - \$23,800 Financial assistance to each retailer, up to \$200 per lane per store, for system modifications needed to process smartcard WIC EBT transactions <u>Receipt Printer</u> (1/retailer @ \$110/each * 7) - \$770 Each retailer will have the option of providing a participant receipt printer, independent of a point-of-sale (POS) system, for the verification and printing of available card benefits	\$24,570 <i>\$0 Approved</i>
Clinic Costs for Miller County Local Health Unit	<u>Receipt Printers</u> (7 @ \$110/each) - \$770 Each WIC workstation will provide the participant with an itemized shopping list of available card benefits upon issuance <u>WIC Workstations</u> (1 @ \$700/each) - \$700 WIC Nutritionist does not have a permanent workstation with which to certify participants and issues benefits. With the addition of EBT peripherals, the current use of a laptop computer is not feasible	\$6,255 <i>\$0 Approved</i>



BUDGET FOR MILLER COUNTY EBT PILOT PROJECT (Requested March 2011)		
COST ELEMENT	DESCRIPTION	BUDGET
	<u>Laser Printers</u> (5 @\$200/each) - \$1000 Replacements for existing MICR printers for printing reports and participant referrals and notices. <u>Card Access Devices</u> (CADs) – (21 @\$85/each) - \$1785 Required to read/write and issue benefits to the card. Will not be a warranty purchase so additional devices are required to ensure one is available at each WIC workstation at all times <u>Card Diagnostic Device</u> (1 @ \$125) - \$125 Available to verify PIN and determine if the EBT card is damaged and/or defective. Connection to a WIC workstation is not required because no data is passed from the device or card to the PC. This will allow card testing without disruption to the normal clinic flow <u>Scanners</u> (7 @ \$225/each) - \$1,575 USB Scanners are required at each WIC workstation to capture proofs of residency, ID, income, VOC, insurance, or any other documentation pertinent to the participant's computerized record <u>Locked Storage</u> (2 @ \$150/each) - \$300 One storage cabinet for each floor of the clinic for secure storage of EBT cards. Arkansas WIC will develop procedures and policy with regard to issuance and documentation of cards and security requirements	
EBT Card Costs (36K MULTO)	<u>Test Cards</u> (100 @ \$3.13/each) - \$313 EBT Cards for system testing and training <u>EBT Cards and Sleeves</u> (1200 @ \$3.50/each) - \$4,200 Participant cards and sleeves for the project pilot site location only <u>Card Proof</u> (1 @ \$900/each) - \$900 One-time fee for new EBT card design <u>Run Start-up Fee</u> (1 @ \$4000/each) - \$4000 Fee charged for each EBT card order. For the pilot site, this will be a one-time fee for the duration of the project	\$9,413 \$313 Approved
Training Materials Costs	<u>Staff/Client/Retailer Training Materials</u> Training and informational materials will be developed and distributed as needed prior to and during the pilot project	\$4,800 \$0 Approved
WIC/ADH IT MIS Test Room	<u>WIC Certified ECR Test Systems</u> (3 @ \$11,000/each) - \$33,000 Demo/Test systems for system testing, training, and compatibility purposes. Each certified system will represent the three most commonly used retailer systems (server/POS terminal/bar code scanner/produce scale) in the state <u>WIC Workstations</u> (20 @ \$1,500/each) - \$30,000 Demo/Test systems with connections for the ability to configure depending on testing needs (Clinic/Retailer/Nutrition)	\$196,176 Approved as requested



BUDGET FOR MILLER COUNTY EBT PILOT PROJECT (Requested March 2011)		
COST ELEMENT	DESCRIPTION	BUDGET
	<u>WIC Laptops</u> (4 @ \$2,000/each) - \$8,000 Demo/Test systems configured as multiple traveling clinics for system testing, training, and compatibility purposes related to data sync <u>Signature Pads</u> (24 @ \$550/each) - \$13,200 Required at each permanent and mobile WIC workstation demo/test system <u>Full-Featured Integrated POS Terminal w/PIN Pad</u> (1 @ \$800/each) - \$800 Used to test the EBT Clinic Module in the retailer setting to verify card contents, PIN verification, and system compatibility <u>Portable Receipt Printers</u> (2 @ \$600/each) - \$1,200 Required to verify card contents and benefits issuance history during grocer certifications <u>Thermal Receipt Printer Paper</u> (50 rolls/pkg. * 2 @ \$38/each) - \$76 <u>Card Access Devices</u> (CADs) – (40 @\$85/each) - \$3,400 Required to read/write and issue benefits to the card <u>Workgroup LaserJet Printers</u> (4 @ \$200/each) - \$800 Required for printing reports, certification documents, etc. <u>Overhead Projector</u> (1 @ \$2,500/each) - \$2,500 Used for staff and outside vendor training and demonstration <u>Projector Screen</u> 135" w/Ceiling Mount (1 @ \$2,200/each) - \$2,200 <u>Electronic Copyboard</u> (2 @ \$2000/each) - \$4000 Used for staff and outside vendor training and demonstration <u>Shredder</u> – Level 6 Security Minimum (1 @ \$5000/each) - \$5000 For destruction of sensitive data, forms, and unusable EBT cards <u>Cords, Cables, Switches, Patches, Connections, Fiber, Etc.</u> - \$10,000 <u>Room Design, Furniture, and Construction</u> (1 @ \$74,000/each) - \$74,000 Required to provide a secure and dedicated access-controlled location for WIC MIS testing and training and related equipment <u>Access Controlled Entry</u> (2 @ \$4,000/each) - \$8000 Key card entry will secure expensive WIC MIS equipment and provide documented records of access to controlled area	
TOTAL AMOUNT REQUESTED FOR PILOT Source: AR BUDGET CFDA 10.578		\$1,079,430 \$634,705 Approved



2.2 DURATION AND SCOPE OF PILOT

The Arkansas WIC EBT Pilot Project will last for a full 3-month timeframe, not including planning and training or the resulting cost evaluation study, which will be conducted immediately following the completion of the pilot project.

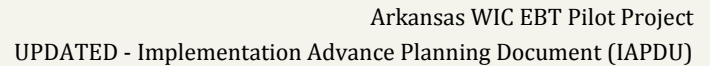
2.2.1 PILOT PROGRAM

Miller County, Arkansas has been identified to be the most suitable location for the proposed EBT Project Pilot Implementation Site. The county has one local health unit (LHU) and seven (7) Arkansas WIC-authorized retailers in the area, two of which are located in Texas where they are already successfully operating the Texas WIC EBT system.

The Miller County LHU is located in Texarkana, Arkansas with a population of over 27,000 in the city and approximately 41,000 in the entire county. The health unit offers a wide range of patient services on two of the three floors in the building. In addition to WIC, the LHU provides family planning, HIV/STD services and support, immunizations, maternal and infant services, and BreastCare services. The average WIC caseload at the LHU is approximately 1,600 participants per month making Miller County a large enough clinic to determine additional equipment needs and potential clinic flow changes in preparation for statewide expansion of the Arkansas WIC EBT system.

WIC scheduling in the Miller County LHU allows for certification appointments five days a week. Typically, one Competent Professional Authority (CPA) is on hand each day with an additional CPA being available, on average, twice per month. Clinic staff in Miller County rotates through all available programs with the one exception being a clerk that devotes at least 90% of her time to WIC. Other staffing includes five nurses trained as CPA's, a Home Economist that conducts WIC certifications twice per month and nutrition education classes once a week, a nutritionist for increased-risk nutrition clinics twice each week, and up to three other clerks that float between programs to cover during lunch breaks and if patient wait times are too long.

The geographic location of Miller County is ideal, as it is semi-isolated with two sides of the county bordering other states (Texas and Louisiana). This provides a somewhat controlled environment conducive to containing the majority of participants in one location and minimizing transfers in and out of the clinic, which would reduce the likelihood of participants attempting to use their EBT cards in non-EBT stores. There is adequate retailer/brand variety with different wholesale milk and grocery suppliers and a sufficient number of WIC stores so participants will have shopping choices during pilot as they will not be able to redeem benefits in non-EBT stores. The extreme southwest



2.2.2 PILOT RETAILERS

- **Super 1 Foods #618** (Bowie County, Texas) – VENDOR #9395
No. of Registers: 15
Size: 70,560 Square Feet Statewide WIC Stores: 15
Parent Company: Brookshire’s
- **Wal-Mart Supercenter #2123** (Bowie County, Texas) – VENDOR #9150
No. of Registers: 45
Size: 199,026 Square Feet Statewide WIC Stores: 88
Parent Company: Wal-Mart
- **Albertson's # 4111** (Miller County, Arkansas) – VENDOR #9958
No. of Registers: 11
Size: 55,328 Square Feet Statewide WIC Stores: 1
Parent Company: Albertson’s
- **Rehkopf's #5057** (Miller County, Arkansas) – VENDOR #9928
No. of Registers: 4
Size: 20,000 Square Feet Statewide WIC Stores: 4
Parent Company: Rehkopf Enterprises
- **SuperValu Foods # 0720** (Miller County, Arkansas) – VENDOR #8008
No. of Registers: 4
Size: 18,000 Square Feet Statewide WIC Stores: 1
Parent Company: Mr. B’s Foods, Inc.
- **Save A Lot** (Miller County, Arkansas) – VENDOR #9731
No. of Registers: 5
Size: 12,000 Square Feet Statewide WIC Stores: 3
Parent Company: SEP, Inc.
- **Wal-Mart Supercenter #468** (Miller County, Arkansas) – VENDOR #9705
No. of Registers: 35
Size: 217,876 Square Feet Statewide WIC Stores: 88
Parent Company: Wal-Mart



These stores are of various sizes and range from approximately \$2,000 to \$50,000 in monthly WIC redemptions and they provide a reasonable representation of the WIC retailer community overall in Arkansas. Additional benefits for the EBT pilot area include having a mix of individually owned and operated stores, regional chains, and national chain retailers, all of which use a variety of grocery wholesalers and suppliers.

A number of the companies whose stores are in the pilot region have prior experience in WIC EBT. The Albertson's, Super 1 Foods, Rehkopf's, and Wal-Mart #2123 stores are already successfully operating smartcard WIC EBT as they are WIC authorized in both Texas and Arkansas. A few of the stores in the pilot region do not have any WIC EBT experience, allowing us to evaluate key components of the pilot such as training, customer service, and installation by filtering for experience. This will allow us to determine where we need to improve the system prior to statewide rollout.

Finally, two of the stores chosen for the pilot are located in Texas. Since Arkansas and Texas share a border, this will allow us to test the use of cross-border stores to determine the most efficient way to manage this aspect of the project upon statewide rollout.

By piloting in an area where we have a broad cross-section of retailer types, good participant access, a mix of EBT experienced and non-experienced stores, and 25 percent cross-border stores, we believe Miller County will provide an excellent pilot test of the Arkansas WIC EBT system.

2.3 COST EVALUATION PLANS

Informal evaluation of the Arkansas WIC EBT system will begin concurrently with the start of the pilot project. Corrections, retesting, and release of updated system's versions will occur as needed and in consultation with the Implementation Project Contractor and the WIC Project Management Team prior to the start of the pilot. The WIC stage agency, with FNS guidance, is responsible for preparing cost evaluation documents and guidelines throughout the pilot project. The cost evaluation submittal will follow the requirements and guidelines set forth by the USDA FNS Handbook 901, latest revision.

Immediately following the completion of the pilot, the project contractors and WIC Program staff will complete and submit an evaluation of the EBT system experience using input from all stakeholders in the pilot site location. The evaluation will address factors such as system stability, meeting functional requirements, user satisfaction, impact on participant flow and convenience, impact on clinic operations, retailer experience, availability and accuracy of state level data, adequacy of help messages and user documentation, security and system integrity, and need for



modification of system or user policies and processes. While additional or unexpected costs for the EBT statewide expansion project may result from this evaluation, the state agency is committed to anticipating comprehensive costs in advance of the project pilot.

The WIC state agency will document and finalize the results of the evaluation in a report for review by the Implementation Project Contractor and the WIC Project Management Team prior to submission to FNS for assessment and approval for statewide expansion.

2.4 GENERAL PLANS FOR STATEWIDE EXPANSION

Planning for statewide expansion is currently underway by the WIC Project Management Team with input from the Arkansas eWIC Vendor Team. The eWIC Vendor Team is the retailer advisory group that was formed at the beginning of the EBT planning phase and, thus far, has provided the state agency with overall support in the move toward WIC EBT.

Arkansas WIC is building on the initial WIC retailer survey, conducted June 2010, to update any changes in retailer's systems and equipment with hand-delivered questionnaires that follow the formatting currently in use by other smartcard state agencies for retailer certifications. Food delivery regional staff members distributed the questionnaires during routine store monitoring visits conducted November-December 2011. WIC staff will continue to monitor for significant Point-of-Sale (POS) system changes on a statewide level as part of the retailer enablement efforts.

Arkansas WIC is also preparing a number of Geographical Information System (GIS)-based maps from existing SPIRIT data and retailer-provided information to present accurate visual assessments of detailed WIC activity on a statewide, regional, and county level. The maps will use data such as retailer demographics, WIC sales and POS/ECR equipment, telecommunications networks, LHU caseloads, WIC participant household locations, and WIC clinic information to assess the most reasonable phasing for EBT expansion. These maps and other information will be presented to the Arkansas eWIC Vendor Team and WIC Regional LHU directors for comment before preparing the final statewide rollout phasing and timing plans.

The final proposed statewide expansion plan along with an updated IAPDU will be submitted to USDA FNS for approval prior to rolling out EBT beyond the pilot phase. The Arkansas WIC Program has developed a very preliminary rollout schedule, taking into consideration the number of retailers in each area, holiday schedules, and also travel demands and resources needed to support the clinics during initial transition. On May 16, 2012, this phasing was presented at the eWIC Vendor Team meeting and was shown overwhelming support by the retailer community. FIGURE 2-



4 maps the counties and ADH region structure in Arkansas while TABLE 2-4 lists the proposed preliminary phasing of EBT expansion plan.

FIGURE 2-4

Arkansas Regions and Counties

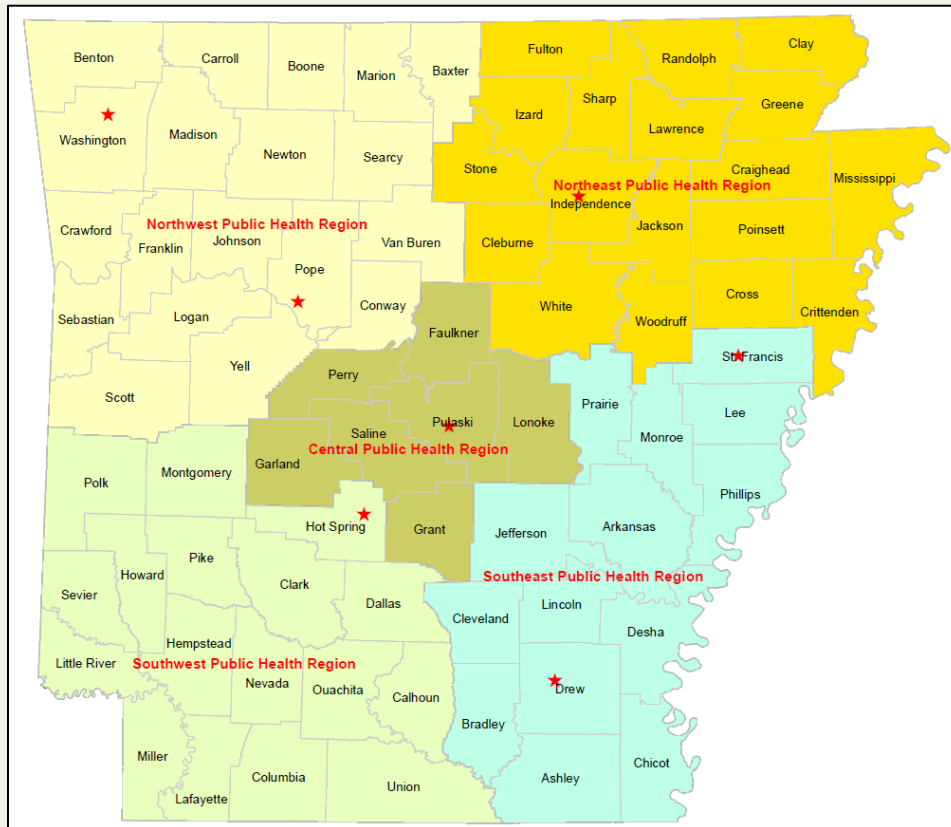




TABLE 2-4

Preliminary WIC EBT Expansion Plan*

PHASE (TENTATIVE)	COUNTY	REGION	CLINICS	RETAILERS	EBT DATE (TENTATIVE)
(PILOT)	Miller	SW	1	7	6/1/2015
1	Little River	SW	1	3	11/1/2015
	Lafayette	SW	1	1	
	Hempstead	SW	1	4	
	Columbia	SW	1	6	
	Union	SW	1	6	
	Calhoun	SW	1	1	
	Ouachita	SW	1	7	
	Nevada	SW	1	1	
	Sevier	SW	1	3	
	Howard	SW	1	4	
2	Montgomery	SW	1	1	TBD
	Pike	SW	1	4	
	Polk	SW	1	3	
3	Chicot	SE	1	4	TBD
	Ashley	SE	2	5	
	Bradley	SE	1	2	
	Cleveland	SE	1	1	
	Lincoln	SE	1	1	
	Drew	SE	1	2	
	Desha	SE	2	3	
4	Grant	Central	1	2	TBD
	Jefferson	SE	1	9	
	Clark	SW	1	3	
	Dallas	SW	1	1	
5	Garland	Central	1	13	TBD
	Hot Spring	SW	1	5	
	Arkansas	SE	2	5	
6	Benton	NW	3	21	TBD
	Washington	NW	3	26	
	Madison	NW	1	2	
7	Crawford	NW	1	8	TBD
	Sebastian	NW	2	14	



PHASE (TENTATIVE)	COUNTY	REGION	CLINICS	RETAILERS	EBT DATE (TENTATIVE)
	Franklin	NW	1	2	
	Logan	NW	2	2	
	Scott	NW	1	2	
	Johnson	NW	1	2	
8	Carroll	NW	1	5	TBD
	Boone	NW	1	4	
	Baxter	NW	1	5	
	Marion	NW	1	4	
	Searcy	NW	1	2	
	Fulton	NW	1	1	
	Newton	NW	1	1	
9	Pope	NW	1	8	TBD
	Yell	NW	2	3	
	Conway	NW	1	32	
	Perry	Central	1	1	
	Faulkner	Central	1	9	
10	Pulaski	Central	4	45	TBD
	Saline	Central	1	10	
11	Clay	NE	3	3	TBD
	Randolph	NE	1	2	
	Greene	NE	1	4	
	Sharp	NE	1	4	
	Izard	NE	1	4	
	Stone	NE	1	3	
	Lawrence	NE	1	5	
	Independence	NE	1	5	
12	Van Buren	NW	1	3	TBD
	Cleburne	NE	1	4	
	White	NE	2	12	
	Lonoke	Central	2	7	
	Prairie	SE	1	4	
13	Monroe	SE	1	2	TBD
	Lee	SE	1	1	
	Phillips	SE	1	5	
14	St. Francis	SE	2	6	



PHASE (TENTATIVE)	COUNTY	REGION	CLINICS	RETAILERS	EBT DATE (TENTATIVE)
	Woodruff	NE	1	3	
	Crittenden	NE	1	13	
	Cross	NE	1	4	
15	Mississippi	NE	2	12	TBD
	Craighead	NE	1	15	
	Poinsett	NE	3	6	
	Jackson	NE	1	5	
COMPLETION OF FULL STATEWIDE EXPANSION					12/31/2016

**The Preliminary WIC EBT Expansion Plan is a general outline for statewide planning. Actual phasing, county groupings, and EBT rollout dates will be finalized in the Retailer and Clinic Enablement Plans (See Section 14 in this document).*



3. PROCUREMENT PLAN

This project will require the development of a smartcard EBT solution that is Universal Interface compliant and compatible with the SPIRIT source code. The smartcard EBT development contract will be awarded through a competitive RFP process. During the Arkansas EBT white paper development meeting on September 11, 2012 with USDA FNS southwest region, other smartcard EBT state agencies, and subject matter experts from the WIC EBT community, it was estimated that delivery of the product is possible within 7 to 18 months after the contract is awarded.

All of the limited WIC in-house resources for day-to-day project management and oversight will be utilized. WIC systems development projects are highly visible and complex, require preparation, review, and approval of many deliverables, and involve a certain amount of risk. For this reason, the Arkansas WIC Program has concluded they will require the expertise of an experienced Implementation Project Contractor.

In-house and clinic resources will be augmented on an as-needed basis in the areas of technical writing, training, and support staffing. It is critical to Arkansas WIC that this project continues moving forward and the timely addition of an Implementation Project Contractor, EBT Claims Processing Contractor, and a Smartcard EBT Module Developer will facilitate efficient progress of this effort.

The Implementation Project Contractor will assist WIC staff in overall management of the project including coordinating the project team and other contractors, managing scope, identifying project issues and risks, reviewing deliverables, making recommendations for system requirements, assisting in developing final expansion plans and enablement strategies, and participating in retailer and system testing activities. The Smartcard EBT Module Developer and the EBT Claims Processing Contractor will be tasked with developing the SPIRIT system enhancements needed to issue WIC benefits via smartcard access device (CAD), supporting retailer redemption claims processing and payment functionality, facilitating the transfer of EBT hotcard information and approved WIC products lists, and ensuring the functionality required to support future National UPC requirements. The RFPs developed to procure contractors for the project will adhere to all FNS and Handbook 901 requirements and will include detailed requirements relating to work scope and quality assurance.

WIC EBT systems development represents a critical function of the program such that it requires EBT industry specific technical skills and in-depth program knowledge to support the project. All potential contractors will be required to develop a comprehensive plan of deliverables to ensure a baseline understanding of the high-level business requirements of the Arkansas WIC Program and EBT project. In addition, project management skills along with proven successful experience will be



a significant component of the requirements when selecting contract staff via competitive procurement procedures. Potential contractors must also illustrate in detail how they will support expected, as well as unanticipated, fluctuations in the workload associated with the EBT project by describing their methodology for prioritizing issues that may compete for resources with other projects and/or staffing obligations under other contracts.

Arkansas WIC will negotiate work orders and/or contracts with the software developer and banking contractor for any additional identified enhancements for SPIRIT as the program begins to maintain the MIS system in-house. With the WIC Project Management Team's oversight, contractors will participate in the development of all documents and requirements for activities occurring within the contract timeframe and will provide recommendations to the program to ensure all contractual terms are fulfilled.

The WIC EBT pilot system and the WIC MIS testing lab require the purchase of hardware and office equipment as detailed in the narrative budget in TABLE 7-1. Arkansas WIC will work closely with ADH to purchase all hardware according to specifications set forth by the ADH ITS and the Office of State Procurement. ADH will ensure any purchased equipment be standardized to guarantee that it functions correctly in all future clinics and is compatible with the retailer's systems.

The WIC EBT system does not require any specialized desktop software and the operating systems currently in use are compatible with the existing SPIRIT system. It is not anticipated that purchase of any other office automation software will be required for the new system.

ADH considered and declined to procure WIC EBT through the Arkansas SNAP EBT contract because the re-procurement activities occurred in April 2009, prior to the initiation of the WIC EBT planning process. The resulting SNAP contract generally provides for adding additional services via contract amendments and those with an increase in dollars or major scope and objectives require legislative and budget committee review and approval by the Department of Finance and the Office of State Procurement. The SNAP contract does not include specific provisions for including WIC EBT services and the appropriate EBT solutions for each of the two programs are significantly different (online vs. offline). ADH WIC will work with the Arkansas Department of Human Services to seek areas of cooperation beyond the implementation of a WIC EBT system.

ADH is committed to ensuring that all responding contractors and their sub-contractors are neither excluded nor disqualified under the suspension and debarment rules found at 7 CFR sec. 3017.3000. As required by the USDA FNS 901 Handbook, the ADH WIC Program has not selected any candidates prior to the issuance of any project-related RFPs in order to ensure maximum and open competition and all RFPs will include language preventing conflicts of interest from concurrent bidding on any of the contracts from the same entity.



4. PROJECT MANAGER

Teresa McManus, WIC MIS Section Manager, will serve as the internal WIC EBT Project Manager for the pilot project implementation and will dedicate a substantial amount of her time to the project's oversight. Teresa has been with the Arkansas WIC Program for over 6 years and has coordinated the efforts of the EBT planning grant contractor for the feasibility study and cost benefit analysis and lead the development of the IAPD for the Arkansas WIC EBT Pilot Project. Ms. McManus's background includes over 10 years of civil engineering experience in design and construction including the tasks of contracts management, contractor oversight, project scheduling, and budget monitoring.

Teresa reports directly to Susan Handford, WIC Director, and will have the most contact with WIC EBT contractors and stakeholders. Alison Whitten, WIC MIS Project Coordinator, will provide constant support to the WIC State Office and Arkansas retailer community during the planning and implementation of the project. Ms. Handford will continue to be directly involved in all aspects of WIC EBT planning and coordination and will closely facilitate the efforts of the WIC Project Management Team, ADH Divisions, and any project contractors.

Susan Handford, Teresa McManus, and Alison Whitten directly participated in the planning, implementation, and rollout of the SPIRIT MIS System in 2007-2008 and they have all served on SPIRIT committees, workgroups, and task forces. Arkansas WIC is confident that, through this combined effort and ongoing immersion into the technology requirements and business processes of EBT, the pilot project will have ample direct oversight for a successful implementation.



5. STAFFING AND PROJECT MANAGEMENT

5.1 STATE AGENCY CAPACITY

A Project Management Team (PMT), headed by the Director of the ADH WIC Program, will exercise oversight of this project. The WIC Director has ultimate authority with respect to all project decisions and will directly supervise and support the WIC MIS Section Manager's role as the internal EBT Project Manager. The MIS Section Manager, supported closely by the WIC MIS Project Coordinator and two other staff members, will direct the efforts of and have the most contact with any contractors hired for this implementation.

The WIC Project Management Team is comprised of the following members:

WIC PMT MEMBER	ROLE/TITLE	% TIME
Susan Handford	WIC Director	25
Teresa McManus	WIC MIS Section Manager	75
Alison Whitten	WIC MIS Project Coordinator	100
Pamela Woodard George	WIC Food Delivery Section Manager	50
Rhonda Williams	WIC Financial Management Section Manager	25
Michael Kincaid	ADH CIO	25

Other ADH and WIC staff will be called on to participate in the project as needed when such staff possesses knowledge of and experience with program operations in their areas that is not available from any other source. Arkansas WIC believes inclusion of staff on all levels throughout the organization is critical to the project's success because if employees are not involved in the planning and implementation, they will have a much more difficult learning curve and an insufficient understanding of the project. Staff will also be involved in the implementation in order to support and take ownership of the new system and to be able to provide support and training to WIC participants and retailers.

5.1.1 PROJECT ROLES AND RESPONSIBILITIES

In the development of this work product, Arkansas WIC has identified key areas of expertise within the program and ADH as well as other areas that will be best served or shared by contract subject matter experts. These roles and responsibilities are not intended to be all-inclusive but should provide a general overview ensuring the Arkansas WIC Program understands the project's complexities and commits to the success of the WIC EBT Pilot Project.



- * **Project Director** (Susan Handford, WIC Director)
 - Planning, directing and overseeing the project, and ensuring that deliverables are achieved according to funding documentation and subsequent project plans
 - Management of all resources assigned to the project
 - Serves as the primary liaison between the project and all ADH divisions, and escalates decisions and issues as needed
- * **Project Management** (PMT; Teresa McManus, MIS Section Manager; Alison Whitten, WIC MIS Project Coordinator; Project Implementation Contractor)
 - Accountable to the Project Director for all project management related activities
 - Plans, guides, and oversees the day-to-day internal activities that support the system development within the master project schedule and all other project work plans
 - Negotiating amendments and reviewing work authorizations and invoices
- * **Procurement Management** (Rhonda Williams, WIC Financial Section Manager; Tim Smith, ADH Office of State Procurement Director)
 - Oversees and manages the generation of RFP and other contract documents (other areas of the PMT may be assigned responsibility for specific sections)
 - Integrating all documentation and ensuring consistency and continuity throughout the entire procurement process and conforming to procurement standards, rules, and regulations
 - Monitors and reports on RFP development, preparing and maintaining procurement schedule, coordinating contract negotiations, and managing evaluation of proposals or offers and selection of vendor
- * **Vendor Management** (PMT; Pamela Woodard George, WIC Food Delivery Section Manager; Implementation Project Contractor)
 - Assists in the vendor certification process for WIC EBT. Reviews claim files for exceptions and authorizes ACH payments, and conducts vendor authorization and enforcement activities
 - Develops policies and procedures that meet FNS requirements for delivery of food benefits in the EBT environment including cost containment, vendor compliance, vendor monitoring, and program integrity



- Oversees the development of EBT implementation training for vendors and trains/supervises staff responsible for vendor EBT training
- Works with other WIC staff to develop EBT training for local health unit staff on issuance of special formula using EBT
- In cooperation with the WIC Nutrition Section, oversees the development and maintenance of the Approved Product List (APL)

* **Financial Analyst** (Rhonda Williams, WIC Financial Section Manager)

Tracking project budget/costs as reported by the Project Director, coordinating/preparing budgetary documents, e.g., Special Project Reports and Budget Change Proposals, reviewing budget/contract expenditures, and collecting and reporting financial metrics

- Managing and tracking the financial aspects of the consulting contracts for the project

* **Project Library Development and Maintenance** (Alison Whitten, WIC MIS Project Coordinator; MIS Section; Contractors)

- Ensuring all project related documentation is accurately and appropriately recorded, organized, and distributed as directed by the PMT
- Developing methodology for project related filing systems (electronic and hard copy) to ensure quick retrieval of documentation by PMT
- Educating and notifying WIC State Office of location and general contents of all project related files and folders
- Manage and retain a complete collection of all MIS documentation and distribute or publish to other WIC State Agencies on request

* **Project Scheduling** (PMT; Teresa McManus; WIC MIS Section Manager; Alison Whitten, WIC MIS Project Coordinator; Project Contractors)

- Coordinating and managing development and maintenance of the project plan
- Tracking project progress against the project plan, and merging and identifying dependencies and risks between the project and all contractor's schedules
- Ensuring all contractual terms and deliverables are met according to performance standards

* **Stakeholder Coordination** (Susan Handford, WIC Director; Alison Whitten, WIC MIS Project Coordinator; Implementation Project Contractor)

- Oversees critical ongoing stakeholder communication



- Manages stakeholder-related issues and ensures timely resolution
- Communicates risks and issues to the affected stakeholders in reports and meetings
- Coordinates stakeholder schedules for project planning and implementation activities in conjunction with the project plan
- * **MIS Technical/Systems Management** (Michael Kincaid, ADH CIO; Teresa McManus, WIC MIS Section Manager; Contractors)
 - Oversees day-to-day activities of state agency and other internal staff engaged in the technical management aspects of the project
 - Partner with other managers to acquire appropriate technical assistance for such areas as enterprise architecture, database, software development, security, testing, configuration management, change management, release management, and other technical areas of the new system
 - Establish and execute technical policies, processes, and procedures
- * **EBT Implementation Management** (PMT; Teresa McManus, WIC MIS Section Manager; Alison Whitten, WIC MIS Project Coordinator; Implementation Project Contractor)
 - Provide implementation management leadership through planning, organizing, coordinating, and monitoring implementation activities
 - Managing all resources assigned by the WIC Project Director, including implementation strategy, organizational change management, production support, IT training/knowledge transfer, defect/problem tracking, and Maintenance & Operation
 - Coordinate Scopes of Work (SOWs) to ensure technical obligations satisfy all objectives and expectations
 - Providing exposure to project stakeholders on new technologies and processes relevant to the project, organizing training, and coordinating technical demonstrations of the project as needed
- * **MIS Application Support Management** (PMT; Michael Kincaid, ADH CIO; MIS Section; Implementation Project Contractor)
 - Overseeing and coordinating the change request process for installed software and for ensuring the change requests adhere to specified quality and configuration standards
 - Monitor contractor performance of application support and ensure that contractor maintains quality control



- Manage application design sessions and walkthroughs, application change management processes, and acceptance testing of application changes
- * **Application Test Management** (PMT; Michael Kincaid, ADH CIO; Implementation Project Contractor; FNS)
 - Ensures all test scripts obtained from WIC smartcard EBT state agencies are the most current available
 - Works with the EBT Claims Processor and Offline Module Developer and staff to design test cases and data that will best represent "real-life" scenarios for the system in the Arkansas WIC environment
 - Coordinates and schedules interface tests with other organizations (FNS, Bank, WIC Retailers, etc.) and state agencies as needed
 - Ensures all test cases and results meet requirements to obtain final approvals from FNS before proceeding to the production environment
 - Development and tracking of the system business requirements and interfaces, assisting with technical analyses, and ensuring the final system meets all stated requirements

5.2 ADH ORGANIZATIONAL IMPACTS

The effort involved in a WIC system modification project requires a heavy time commitment on the part of the ADH WIC Program staff, particularly during the business process review, procurement, User Acceptance Testing (UAT), training, and system pilot implementation with follow-up activities.

The major project commitment will fall on the WIC Director, the WIC MIS Section Manager, WIC MIS Project Coordinator, and the ADH CIO and designated support staff. However, it is expected that the project will have an impact on other staff responsibilities as well. The disciplines represented on the PMT have made the time commitment to provide the level of participation, coordination, resources, and oversight required for success of the project and significant impacts to their respective overall program operations are not anticipated.

In the development of this Updated IAPD, Arkansas WIC has identified the following particular areas of program operations that will be closely evaluated and monitored, and will require the commitment and support from many of the project's stakeholders to minimize risks.



5.2.1 VENDOR RELATIONS

Vendor relations is a critical function requiring a combination of public relations, marketing and technology skills to work with the retailer community to communicate project plans and provide guidance in assisting them to become EBT- ready within the project timelines.

The WIC Food Delivery and MIS Sections are actively working to improve overall communication strategies with the retailer community by investigating the use of the ADH Codespear SmartMSG System, establishing and maintaining designated Arkansas WIC EBT web pages on both the ADH and the State of Arkansas websites, and in continuing regular informational calls/emails and face-to-face meetings. Additionally, WIC staff has been actively involved in the retailer certifications process with other smartcard WIC EBT state agencies and related workgroups in an effort to collaborate as closely as possible with the vendors and to stay educated and informed regarding changes in technologies and requirements.

Arkansas WIC has obtained and reviewed many of the lessons learned, suggested rollout checklists/timelines, and training materials from the New Mexico, Texas, and Wyoming WIC Programs. Staff is confident that it will be able to effectively modify and use much of this information in Arkansas to help prepare retailers for the transition to EBT well in advance of the pilot.

5.2.2 POLICIES AND PROCEDURES

While developing the functional requirements for the EBT system, the WIC Program is reviewing their existing business rules and policies to identify the impact of the new system on existing business practices. The appropriate operational sections within the Arkansas WIC Program are on notice that handbooks and agreements must be revised and new policies and procedures will need to be developed, not only for pilot but also for eventual statewide rollout. The PMT has committed to working closely to develop all new and modified requirements in advance of the system's implementation.

It is inevitable that during the project pilot implementation phase additional differences will be identified and it may become necessary to change business practices to accommodate the system when system changes are impractical. At a minimum, procedures for using the EBT system will be different from those relative to the existing MIS, and there will be new policies and procedures regarding system security, benefit issuance, reporting, and other maintenance functions.

5.2.3 SYSTEM OPERATION

Ultimately it will be the responsibility of the WIC MIS Section and the ADH ITS to continue the ongoing operation and maintenance of the Arkansas Smartcard EBT system once separation from



the SPIRIT User Group occurs. WIC staff will have to understand the operating requirements of the system, ensure that their resources are adequate, and provide the requisite hardware and software environment. The MIS Specialists, with support from ADH ITS and the WIC MIS Section, will handle any questions and problems regarding the ongoing operation of the new EBT system as is currently being done successfully.

When successful development of the smartcard EBT functionality is delivered, the Arkansas WIC state agency will provide the SPIRIT Executive Steering Committee (ESC) with at least thirty (30) calendar days' notice prior to transitioning to the new system, as instructed by the recent SPIRIT Enhancement RFP. Any existing enhancements, change orders, and defect resolutions already in the SPIRIT queue will be made available to Arkansas and the state agency shall maintain full access to all content on the SharePoint site (or equivalent repository) once it becomes an Auxiliary member of SPIRIT User Group.

The state agency agrees to conduct its own UAT testing, as is done today in the current SPIRIT environment, and will provide its own MIS help desk support, change order processes, system documentation/data sharing repository, and defect resolution methods. The Arkansas WIC Program will work out the final details for maintaining version control on the new EBT system through internal work groups/task forces, memorandums of agreement, and any other means necessary.

ADH WIC MIS Specialists, Regional WIC Coordinators, and WIC Clinic Staff will be actively involved in the modification, testing, and pilot phases of the project so they are fully competent to operate the system and provide ongoing training once the statewide expansion and operations phases begin.

The Texas WIC Program has already hosted an observational visit between the Miller County LHU staff and Bowie County, Texas WIC Clinic in June 2012. The purpose of the visit was to provide Arkansas WIC with guidance and input to prepare for clinic enablement and training plans and also to assess changes to the clinic flow that may result in the transition to EBT. Texas WIC has volunteered to provide ongoing guidance and support to Arkansas in the movement toward and transition to WIC EBT.

5.2.4 IMPLEMENTING PROGRAM POLICY CORRECTLY

The ADH WIC Director has made a commitment to ensure the modified system accurately reflects current WIC policy in Arkansas. To the extent there are any policy changes required by the new system, they will be carefully evaluated by the PMT to ensure consistency with Federal regulations and the WIC Program's mission, and to avoid negative impacts on WIC participants and authorized WIC retailers.



As referenced earlier, appropriate ADH and WIC staff from many of the agency's disciplines will participate in the development of and preparation for this pilot implementation. The WIC Director and PMT will review and approve all proposed system modifications to ensure they are assessed for potential impacts to all stakeholders. Contractor recommendations may be evaluated however Arkansas WIC will determine all final approvals.

Some policies, procedures, and business processes may be identified during the planning and execution of the pilot phase that should be modified to improve the operation of the ADH WIC Program. Changes will most likely occur in Food Delivery/Vendor Management, staffing ratios, clinic management and flow, and WIC program management.

5.2.5 USER ACCEPTANCE TEST PHASE

ADH ITS, WIC Clinic, WIC State Office, and ADH MIS staff will be recruited to assist in conducting the User Acceptance Test (UAT) since it requires multiple simultaneous testers to provide a realistic test environment and the most effective and cost efficient approach. The UAT will be an end-to-end test from the creation of cases on the MIS, generation of and loading benefits to the cards, redemption of benefits at authorized retailers, submission of claim files to the processing host, and a review of the settlement and reconciliation processes. The Smartcard EBT Module Developer and EBT Claims Processor will be available to document and correct any system bugs or defects in the system identified in UAT.

The Implementation Project Contractor's responsibilities include coordination of the UAT team, participation in the development of Arkansas specific test scripts, verifying the most current version of the smartcard WIC EBT test scripts, being present during the UAT in an advisory capacity, assisting in consistent documentation and reporting of results, and requesting a recommendation from FNS at the end of the test regarding whether or not the system is ready for pilot.

5.2.6 SYSTEM PILOT

During system pilot, the WIC state agency and Project Implementation Contractor will monitor system performance, use of and availability of resources, and make recommendations as needed for efficient system operation and issuance/redemption of participant benefits. The program will also evaluate the effectiveness of training, policies, and procedures while closely monitoring all aspects of the pilot phase to aid in the development of the cost evaluation study and final rollout plans.

The PMT will participate in closely observing the pilot project to establish a thorough understanding of the system's operations and its impact on program operations, participant and retailer concerns and/or satisfaction, and to ensure policies and procedures are being followed.



5.3 PROCUREMENT SUPPORT AND QUALITY ASSURANCE

The WIC Program will advertise for development of the Offline EBT Module through a competitive RFP process. During the Arkansas EBT white paper development meeting on September 11, 2012, it was estimated that delivery of the product is possible within 7 to 18 months after the contract is awarded. It is the intent of the Arkansas WIC Program to streamline the EBT expansion process with an independent system development that will avoid the potential for delays and one technology negatively influencing others. This proposal also removes the situation of competing priorities and resources for existing and future SPIRIT change orders and enhancements.

Arkansas WIC is requesting FNS's consideration for contractor support to provide external project management services during the planning and execution of the pilot project and anticipated statewide rollout of WIC EBT. If approved, the ADH WIC Program will procure the services of an experienced Implementation Project Contractor as soon as possible, contingent upon approval of this revised IAPD and the Request for Proposals (RFP) for such professional services. It is preferable that any contractors hired for this project will have documented WIC experience and will remain under contract for the duration of the pilot with the option to extend services through statewide expansion.

During pilot planning, the state agency will lead the development of the gap analysis and requirements documents with input from ADH IT, FNS, contractors, other subject matter experts, and other state agencies that are proposing to move toward smartcard EBT. Arkansas has entered into preliminary discussions with at least one other state to work collaboratively to identify the offline EBT requirements. The Implementation Project Contractor will also provide recommendation's to the PMT that the project work plans, tasks, and deliverables meet performance standards, assist in stakeholder communications and reporting, reviewing technical documents and regulations for compliance, and establish and contribute to the project document repository so that ADH WIC can effectively share project updates with other WIC States and the USDA FNS.

The Implementation Project Contractor, with the oversight of the PMT, will be charged with ensuring the quality of the deliverables produced by the Smartcard EBT Module Developer and Claims Processing Contractor. State agency subject matter experts and FNS will also review any documents, project plans, and requirements produced by WIC staff and other stakeholders. Additionally, some deliverables will be required from the Implementation Project Contractor if the state agency deems the work will be completed accurately and more efficiently. These details will be specifically defined in any Requests for Proposals and will require approval from the USDA FNS.



The Arkansas WIC Program is encouraging quality assurance support and related activities to ensure as clean an implementation as possible. Any contractors hired will be required to submit a quality management plan with the proposals. At a minimum, the plans should describe:

- What actions will be taken to prevent quality issues
- What actions will be taken to resolve identified quality issues
- A schedule of quality management activities or milestones

The responsibility of the contractors will be to ensure that all product deliverables and services are complete and of the highest quality consistent with federal, industry, and state standards. Additionally they will monitor the project work plan to identify anticipated deviations from the expected activities. All project activities will adhere to and include work activities in support of the professional quality management processes.

Procurement activities for all professional services required to support the implementation of WIC EBT will comply with Federal and State regulations, laws, and guidelines. ADH WIC will conduct a competitive procurement to select contractors and will submit all RFPs and contracts to USDA FNS for review and approval.

Arkansas WIC strongly believes the ADH organizational structure and support of FNS will enable the program to continue its technology leadership role by meeting the 2020 mandate for delivery of a Universal Interface compliant smartcard WIC EBT system using the SPIRIT source code. That same enabling capacity provides the foundation for this proposal to proceed with EBT pilot project.



6. SCHEDULE/TIMELINE OF ACTIVITIES, MILESTONES, AND DELIVERABLES

6.1 TASKS

The purpose of this section is to define the anticipated schedule of activities, milestones and deliverables for the Arkansas WIC EBT Pilot Project Implementation. All contractors hired for the project will be required to provide detailed descriptions of all planned activities and timeframes in their proposal responses and the WIC PMT and USDA FNS will review tasks prior to contract award and project execution.

Essential tasks required for a successful implementation of WIC EBT include a design plan for the SPIRIT MIS smartcard module and claims processor's system development; refining and finalizing detailed final work plans and schedules; establishing and coordinating the business requirements and final systems design documents; knowledge transfer, training, and security plans; systems modifications, testing, and revisions; user acceptance testing (UAT) plans and results; retailer and clinic site analysis reports and recommendations; and documents that shall be included and maintained in the project repository.

After successful completion of the acceptance test, the Implementation Project Contractor will provide the ADH WIC Program with recommendation and assessment of the system's readiness for pilot implementation and will document the need for any additional training to the operations staff as necessary and as identified during the UAT.

6.2 PROPOSED SCHEDULE

TABLE 6-2, shown below, contains the proposed schedule of activities for the Arkansas WIC EBT Pilot Project. The WIC Program acknowledges certain risks to the project schedule due to this WIC EBT configuration being unique and the potential for contractor resources being in demand by other WIC state agencies. Arkansas is also aware of the recent FNS requirement that all MIS systems must conform to the final approved version of the WIC Universal Interface Document before EBT implementation. Arkansas WIC is fully prepared to submit IAPD Updates as necessary in order to obtain guidance and direction from FNS.



TABLE 6-2

Task Description	Go/No Go	Start Date	End Date	Completed
EBT IAPD	FNS APPROVAL	8/15/2011	7/20/2012	Yes
AR EBT Project White Paper to USDA FNS and SPIRIT ESC	FNS RESPONSE	9/20/2012	12/28/2012	Yes
ADH IT and ADH WIC Agreement for in-house maintenance and operations of EBT system	ADH APPROVAL, ADH IT APPROVAL	9/11/2012	1/23/2013	Yes
Construction of ADH WIC EBT Test Lab		7/20/2012	3/1/2013	Yes
ADH WIC request to FNS for grant extension	FNS APPROVAL	3/15/2013	4/15/2013	Yes
Development of EBT Updated IAPD		1/23/2013	6/14/2013	Yes
FNS Review of EBT Updated IAPD	FNS APPROVAL	5/13/2013	6/21/2013	
Development of RFP for Offline EBT Module Developer		1/23/2013	8/23/2013	
Development of RFP for EBT Implementation Project Contractor		1/23/2013	8/19/2013	
Development of RFP for EBT Claims Processor		1/23/2013	8/23/2013	
Internal Review of RFP for Implementation Project Contractor		8/19/2013	9/30/2013	
ADH IT Internal SPIRIT Developer Hired		8/16/2013	10/4/2013	
Internal Review for RFP for Offline EBT Module Developer		8/23/2013	10/4/2013	
Internal Review for RFP for Claims Processor		8/23/2013	10/4/2013	
FNS Review of RFP for Offline EBT Module Developer	FNS APPROVAL	10/5/2013	12/4/2013	
FNS Review of RFP for EBT Implementation Project Contractor	FNS APPROVAL	10/1/2013	11/30/2013	
FNS Review of RFP for EBT Claims Processor	FNS APPROVAL	10/5/2013	12/4/2013	
ADH IT Retrieval of SPIRIT Source Code Selected Version		8/16/2013	12/1/2013	
EBT MIS Requirements Document		9/30/2013	12/27/2013	



Task Description	Go/No Go	Start Date	End Date	Completed
Advertisement of Contract for Offline EBT Module Developer		12/5/2013	2/3/2014	
Advertisement of Contract for EBT Implementation Project Contractor		12/1/2013	12/31/2013	
Advertisement of Contract for EBT Claims Processor		12/5/2013	2/3/2014	
Q&A/Contract Negotiations/Informal FNS Review of EBT Implementation Project Contractor	FNS APPROVAL	1/24/2014	2/9/2014	
Bid Evaluations for Offline EBT Module Developer		2/4/2014	2/25/2013	
Bid Evaluations for EBT Claims Processor		2/4/2014	2/25/2014	
Anticipation to Award and Protest Period for EBT Implementation Project Contractor	ADH APPROVAL	2/10/2014	2/26/2014	
Q&A/Contract Negotiations/Informal FNS Review for EBT Claims Processor	FNS APPROVAL	2/25/2014	3/13/2014	
Q&A/Contract Negotiations/Informal FNS Review for EBT Offline Module Developer	FNS APPROVAL	2/25/2014	3/13/2014	
Anticipation to Award and Protest Period for EBT Claims Processor	ADH APPROVAL	3/13/2014	3/29/2014	
Anticipation to Award and Protest Period for Offline Module Developer	ADH APPROVAL	3/13/2014	3/29/2014	
*Legislative Review Of Contract for EBT Implementation Contractor	STATE APPROVAL	2/26/2014	4/12/2014	
FNS Review of Anticipated Award for EBT Implementation Contractor	FNS APPROVAL	2/26/2014	4/27/2014	
Contract Award/Start for EBT Implementation Project Contractor		4/28/2014	5/5/2014	
FNS Review of Anticipated Award for Offline EBT Module Developer	FNS APPROVAL	3/30/2014	5/29/2014	
FNS Review of Anticipated Award for EBT Claims Processor	FNS APPROVAL	3/30/2014	5/29/2014	
Contract Award/Start for EBT Claims Processor		5/29/2014	6/5/2014	



Task Description	Go/No Go	Start Date	End Date	Completed
Contract Award/Start for EBT Offline Module Developer		5/29/2014	6/5/2014	
EBT Claims Processor/Offline Module Development and JAD		7/5/2014	8/4/2014	
Retailer/Clinic Training, Enablement, and Integration Final Plans		10/1/2013	10/31/2014	
Calendar Month Issuance Transition		8/30/2014	2/28/2015	
EBT MIS Offline Module Design and Claims Processing System Delivered	ADH WIC ACCEPTANCE	8/5/2014	3/8/2015	
Completion of APL Development		11/1/2013	3/10/2015	
OA Funds for ADH IT Programmers	FNS APPROVAL	5/1/2014	3/31/2015	
EBT MIS Final Design and UAT	FNS ACCEPTANCE	3/8/2015	4/7/2015	
SPIRIT User Group/ADH WIC Disengagement		1/1/2015	4/8/2015	
EBT Pilot Retailers ECR System Precertification	FNS ACCEPTANCE	4/8/2015	4/29/2015	
EBT Pilot Retailers ECR System Certifications	FNS ACCEPTANCE	4/30/2015	5/21/2015	
Pilot Retailers Training		4/30/2015	5/21/2015	
Pilot Clinic Training		4/30/2015	5/21/2015	
Final MIS Detailed Functional Design Document and Revised WIC Policy	ADH WIC ACCEPTANCE	3/1/2015	9/30/2015	
EBT Project Pilot		6/1/2015	8/31/2015	
EBT Pilot Cost Evaluation Study and Statewide Expansion Plan	FNS APPROVAL	9/1/2015	10/31/2015	
EBT Statewide Expansion		11/1/2015	12/31/2016	
Processing Final WIC Checks		1/1/2017	3/31/2017	

** Pursuant to Section 19-11-1006 (Submission of contracts required) of the State of Arkansas Procurement Laws and Rules, Subchapter 10 – Professional and Consultant Services Contracts; and the Arkansas Department of Health’s Finance Policies and Procedures, Chapter PCS-1 Professional/Consultant Services, Section I. Legislative Review of PCS Contracts (over \$25,000)*



7. PROPOSED BUDGET/BUDGET NARRATIVE

7.1 PILOT PHASE

SECTION 2.1 in this document, TOTAL ANTICIPATED FUNDS REQUIRED FOR THE EBT PILOT PHASE, provides a detailed overview of the funds requested and awarded for the project to date. The Arkansas WIC Program received additional funding of \$183,150 in August 2012 to construct the WIC EBT Testing and Training lab and to direct resources to support the pilot project in the categories of clinic and retailer enablement, contract staffing, training resources, and EBT card costs (See APPENDIX A: PILOT PROJECT ANTICIPATED OUTLAYS for the project budget by quarter by Federal Fiscal Year). The Program acknowledges that any funding received from other sources (operational adjustments, redirections, etc.) will warrant revision of this request accordingly per FNS Handbook 901 and through the submission of an IAPD Update.

TABLE 7-1

REMAINING BUDGET FOR MILLER COUNTY EBT PILOT PROJECT			
COST ELEMENT	DESCRIPTION	BUDGET FFY2014	BUDGET FFY2015
Personnel	<p><u>Extra Help Staff</u> (\$15/Hr @ 1020 Max + Fringe) - \$18,216 [APPROVED AS REQUESTED]</p> <p>The use of extra-help clerical personnel will allow clinic staff to be available for training and demonstrations as needed while preparing for pilot and throughout the project</p>	\$3,643.20	\$14,572.80
Travel	<p><u>Out-Of-State</u> travel will be required for Retailer Certification/EBT Technical Workgroup Activities prior to and during the pilot project - \$10,000 [APPROVED AS REQUESTED]</p> <p><u>In-State</u> travel costs will be incurred by ADH IT and WIC Regional and State Office Staff to meet with local clinic staff and retailers for training, monitoring, and to evaluate the pilot project's progress - \$10,000 [APPROVED AS REQUESTED]</p>	\$5,000	\$15,000
Contractor Costs	<p><u>SPIRIT Enhancements</u> (\$300,000) [APPROVED AS REQUESTED]</p> <p>The software developer/contractor has provided the Arkansas WIC Program an estimate to enhance the SPIRIT system for offline EBT</p> <p><u>Project Implementation Contractor</u> (\$100,000) [APPROVED AS REQUESTED]</p> <p>Arkansas WIC proposes to choose a qualified contractor through a competitive RFP process to provide additional guidance and oversight during the pilot phase and into statewide expansion</p>	\$199,102	\$289,551



REMAINING BUDGET FOR MILLER COUNTY EBT PILOT PROJECT			
COST ELEMENT	DESCRIPTION	BUDGET FFY2014	BUDGET FFY2015
	<u>EBT Claims Processor</u> (\$88,653) [PENDING FUNDS] Arkansas WIC requires the services of an EBT Claims Processor through a competitive RFP process to provide retailer payment support services		
Retailer Equipment Costs	<u>WIC Certified ECR System Reimbursement</u> (2 lanes @ \$3500/each) - \$3500 [PENDING FUNDS] Financial assistance to each retailer not already equipped to process smartcard WIC EBT transactions	\$3,500	\$3,500
Clinic Costs for Miller County Local Health Unit	<u>Card Reader Terminal w/Printer</u> (7 @ \$90/each) - \$630 [PENDING FUNDS] Each WIC workstation will provide the participant with an itemized shopping list of available card benefits upon issuance <u>Laser Printers</u> (2 @\$200/each) - \$400 [PENDING FUNDS] Replacements for existing MICR printers for printing EBT reports from the MIS and provide participant card balances, referrals and notices <u>Card Access Devices (CADs)</u> – (14 @\$68/each) - \$952 [PENDING FUNDS] Required to read/write and issue benefits to the card <u>Locked Storage</u> (2 @ \$150/each) - \$300 [PENDING FUNDS] One storage cabinet for each floor of the clinic for secure storage of EBT cards	\$700	\$1,582
EBT Card Costs (36K MULTO)	<u>Test Cards</u> (100 @ \$2.99/each) - \$299 [APPROVED AS REQUESTED] EBT Cards for system testing and training <u>Additional Test Cards</u> (100 @ \$2.99/each) - \$299 [PENDING FUNDS] One set of EBT Test Cards provided to each ECR developer in the pilot site location (not TX/NM WIC) for Precertification Testing <u>EBT Cards and Sleeves</u> (1200 @ \$3.22/each) - \$3,864 [PENDING FUNDS] Participant cards and sleeves for the project pilot site <u>Card Proof</u> (1 @ \$900/each) - \$900 [PENDING FUNDS] One-time fee for new EBT card design <u>Run Start-up Fee</u> (1 @ \$4000/each) - \$4000 [PENDING FUNDS] Fee charged for each EBT card order. For the pilot site, this will be a one-time fee for the duration of the project	\$9,362	
Training Materials Costs	<u>Staff/Client/Retailer Training Materials</u> [APPROVED AS REQUESTED] Training and informational materials will be developed and distributed as needed prior to and during the pilot project	\$3,600	\$1,200
WIC/ADH IT MIS Test Room	<u>WIC Certified ECR Test Systems</u> (3 @ \$11,000/each) - \$33,000 [APPROVED AS REQUESTED] Demo/Test systems for testing & training. Each ECR will represent	\$33,000	



REMAINING BUDGET FOR MILLER COUNTY EBT PILOT PROJECT			
COST ELEMENT	DESCRIPTION	BUDGET FFY2014	BUDGET FFY2015
	commonly used retailer systems in the state		
TOTAL REMAINING FOR PROJECT \$560,715 <i>[\$634,705 APPROVED]</i>		\$235,309.20	\$325,405.80
<i>The Arkansas WIC Program and FNS will review final costs for EBT Test Lab, equipment purchases, etc. to identify opportunities to redirect resources</i>			

7.2 STATEWIDE EXPANSION

The summary of costs for full statewide expansion of the Arkansas WIC EBT system were detailed in the ADH WIC EBT Feasibility Study and Cost Benefit Analysis and have been revised in TABLE 7.2 below. These figures do not include already requested or awarded pilot project funding and assumes that full financial support for the pilot will be obtained. This table does not include ongoing costs for system maintenance and operations beyond year one of the actual system implementation. When detailed costs for statewide expansion become known, the state agency will submit a project budget by quarter by Federal Fiscal Year to FNS for review.

TABLE 7-2

SUMMARY OF STATEWIDE EXPANSION COSTS	
COST ELEMENT	Cost
ADH Staffing	\$18,216
ADH Hardware/Software Materials	\$72,012
LHU/WIC Clinic Hardware/Software/Materials	\$222,028
ADH Staff Development	\$20,000
ADH Client Cards and Materials	\$168,892
Retailer Hardware/Software	\$444,150
TOTAL ESTIMATED IMPLEMENTATION COST	\$945,298



8. COST ALLOCATION PLAN

As of the writing of this Updated IAPD, it is the Arkansas WIC Program's position that the WIC MIS and EBT Test Lab facility are WIC-dedicated systems. All modifications necessary to convert to an EBT system including planning, implementation, operations, and maintenance costs will continue to be 100% paid from Federal WIC funds. The test lab facility is made available through the use of WIC Program funds and is intended to augment and support WIC Program training and operations. In addition, the ongoing operations, maintenance, and support of the test lab will be financed by WIC Program funds.

An intra-agency memorandum of agreement (MOA) will be developed between ADH IT and the WIC Program identifying the responsibilities, performance standards, liabilities, cost reimbursement, and commitments to the program necessary to maintain WIC EBT MIS and the test lab. The MOA will be developed with the guidance and approval of FNS.

If the WIC Program learns that the test lab facility will be used by entities other than the WIC Program, a cost allocation plan will be developed and approved by FNS. Any proposed plan will address all of the cost elements involved such as equipment, utilities, security, staffing, overhead, depreciation, etc. The WIC Program recognizes that the test lab will not be used by the program 100% of the time and is willing to allow other entities, such as the Arkansas Department of Health Information Technology Unit, to use the facility provided an FNS approved cost allocation plan is in place.



9. ASSURANCES

9.1 STATE AGENCY/CONTRACTOR ASSURANCES

The Arkansas WIC Program and ADH supports and is committed to adhering to all relevant FNS standards and herein provides assurances that the EBT system will be in compliance with all FNS standards, including:

1. National Universal Product Code (UPC) Database Interface: ADH WIC assures that the project will include modifications to adopt the National UPC Category/Subcategory coding format developed by FNS.
2. Technical Standards: ADH WIC agrees to use the ASC X9, Inc. standards for EBT, commonly known as ANSI X9.93-2:2004 standard message and batch formats for electronic transaction processing. Formats will conform to those currently in use by other WIC state agencies. ADH WIC also agrees to use the ANSI X9.108 retailer interface specifications for smartcards. ADH WIC EBT cards will be consistent with industry card standards for smartcards used in financial payment systems.
3. Standard Business Practices: ADH WIC agrees to use the standard business practices and/or technical specifications developed by FNS, specifically the WIC EBT Business Operating Rules, WIC EBT Technical Implementation Guide, and the Functional Requirements Document (FRoD).

9.2 COMPLIANCE WITH OTHER FNS AND WIC EBT REQUIREMENTS

Arkansas WIC fully supports the development of and compliance to consistent interoperability specifications, ECR certification processes and procedures, messaging standards and file formats, WIC retailer guidelines, and all other current and future documents that will promote the ability to transfer the Arkansas WIC EBT system to other WIC states as simply and efficiently as possible.

Arkansas WIC will follow the guidelines established in FNS Policy Memorandum 99-2, Approval of WIC Electronic Benefits Transfer Systems, dated October 20, 1998, and will support the WIC Program through collaborative activities that promote consistency of information and minimize duplication of effort. The State agency agrees to adopt the X9.93-2:2004 and X9.108 technical standards published for standard transaction processes and messaging formats, as well as standard file formats for batch files and the national standard food category and subcategory coding system. The State agency shall comply with the WIC EBT Operating Rules and Technical Implementation Guide developed through the input of State agencies, WIC EBT industry participants, food retail



vendors and FNS. All Requests for Proposals (RFPs) produced for the project will contain specific language requiring compliance with all relevant standards and specifications.

In the design of the EBT system, Arkansas WIC agrees to address the following list of general functions as defined in the National EBT Functional Guidelines for WIC:

- Ensure that the participant is able to purchase the full prescribed WIC food package, at their discretion within the valid period of issuance, and that the WIC food transaction affords the participant dignity and convenience.
- Ensure that the participant is able to purchase only WIC authorized foods and foods are not improperly substituted.
- Provide data on the type, brand and cost of each food item so that State agencies can better control food costs through informed food package decisions and maximization of rebates on infant formula and other foods.
- Ensure that WIC clients are charged no more than contract price or shelf price for food as other customers.
- Enable the food retailer to complete the WIC transaction efficiently and properly and assure that the cost of the EBT system for a WIC transaction is reasonable for both the State and the retailer.
- Ensure that WIC food expenditure and rebate savings data, compiled by the State or outside entity, is accurate, provided promptly and in a timely manner, and allows the State agency to make better management decisions

The Arkansas WIC Program is also committed to complying with the following legislation and regulations in the development of the EBT system:

- OMB Circulars A-102, A-87, and A-133 and the regulations implementing them, i.e. 7 CFR Part 3016
- 7 CFR Part 175, Trafficking Victims Protection Act
- 7 CFR Part 3017, USDA Implementation of Governmentwide Debarment and Suspension (Non-procurement) and Governmentwide Requirements for Drug-Free Workplace Act
- 7 CFR Part 3018, USDA Implementation of Governmentwide Restrictions on Lobbying
- 2 CFR Part 170 Federal Financial Accountability and Transparency Act (FFATA)

The program will adhere to all federally required reporting procedures and will submit financial status reports and quarterly progress reports to FNS.



10. PILOT PROJECT RETAILER MANAGEMENT PLAN

10.1 PILOT RETAILERS

The Arkansas WIC EBT pilot will encompass the seven WIC authorized vendors described in Section 2.2.2 PILOT RETAILERS. These stores are of various sizes (12,000 to over 200,000 square feet), and range from approximately \$2,000 to \$50,000 in monthly Arkansas WIC redemptions.

Miller County was chosen as the pilot location for a variety of reasons relating to the retailer community. Grocers are conveniently located for WIC participants and they represent a reasonable cross-section of the retailer community as a whole in Arkansas. In addition, there are individually owned and operated stores, regional chains, nationwide chain retailers, and national superstores all within proximity to the pilot county.

A number of the stores represented in the pilot region have prior experience in WIC EBT at the national level. For example, Albertson's and Wal-Mart have been successfully operating smartcard WIC systems for several years in other geographic states. A few of the stores do not have any WIC EBT experience or it is limited to the online or magnetic stripe technology. This variety in experience and equipment will allow Arkansas to evaluate key components of the pilot phase such as training, customer service, and installation which will allow the program to determine where improvements should be prioritized prior to statewide rollout.

Finally, two of the stores chosen for the pilot are located in Texas. Since Arkansas and Texas share a border, this will allow the testing and use of cross-border stores to determine the most efficient way to manage this aspect of the project upon statewide rollout.

WIC Program staff has made a concentrated effort to participate in several smartcard WIC EBT certifications over the last 1-2 years. Because of this opportunity provided by the other state agencies, the Arkansas WIC program has been able to plan for the extent of knowledge and commitment required to conduct all levels of retailer certifications for the pilot location. It is not anticipated that WIC will require any additional support to accomplish this critical aspect of retailer preparation. In addition, with the support and sharing of information between smartcard states, training guidelines and materials, as well as lessons learned have been made available to Arkansas WIC for use in planning and development for the pilot.

After completion of the pilot project and depending on available funding to assist retailers with equipment, the WIC Program proposes to assist each non-EBT store in Arkansas with the purchase of at least one EBT-ready terminal that conforms to system functionality requirements, depending on monthly WIC redemptions. The Arkansas Office of State Procurement is working closely with WIC to devise a retailer reimbursement policy very similar to the Texas WIC Program's process.



By piloting in an area with a broad cross-section of retailer types, good participant access, a mix of EBT-experienced and non-experienced stores, and 25 percent cross-border stores, Arkansas WIC believes Miller County will provide an excellent pilot test of the Arkansas WIC EBT system and will provide the program with sufficient data in planning for statewide expansion.

10.2 PILOT WIC CLINIC

The Miller County Local Health Unit (LHU) is located at 503 Walnut in Texarkana, AR 71854. It is the only Arkansas LHU and WIC Clinic in the immediate pilot area, serving nearly 1,600 WIC participants each month. It is conveniently located and familiar to all clients participating in the pilot because of the many services it offers.

Currently the Arkansas WIC Program issues WIC Checks to participants on a rolling-month schedule rather than calendar-month. The SPIRIT MIS has very recently been enhanced to include the functionality for calendar-month issuance. The state agency is developing the plans and policies necessary to transition the entire state to calendar-month benefit issuance prior to implementing EBT in Miller County and throughout Arkansas. The state agency believes a calendar-month benefit cycle will simplify participant's understanding of when one month's food package expires and the next month becomes valid. This is particularly important in an EBT system because the valid benefit dates are stored on the card instead of printed on the WIC Checks for the participant to see.

The plans to change the benefit issuance cycle will include additional policies that are being developed, along with the materials already obtained from other EBT WIC states, to accommodate participant management in the pilot clinic during the transition away from WIC Checks. Once the EBT pilot begins, the MIS will only issue benefits via EBT in Miller County. Clinic staff will be trained to manage food package changes, etc. for participants that still have valid WIC Checks from prior month's issuance. Other policies will address issues such as participants moving in and out of EBT clinics and the management of special formula returns and exchanges.

Section 2.2.1 PILOT PROGRAM in this document provides a detailed scope of the Miller County WIC Clinic and regional characteristics that support this area as being ideal for piloting the WIC EBT system.

When selecting the project pilot location, the Miller County Local Health Unit was consulted to determine staff willingness to support such a visible and complex undertaking. The clinic has remained enthusiastic overall about providing the level of resources required in order to ensure a comprehensive assessment of the Arkansas WIC EBT pilot.



10.3 TIMELINE FOR ACHIEVING RETAILER INTEGRATION

The estimated timeline for assisting retailers with the integration of the WIC EBT transaction into their electronic payment systems will be approximately one year. The WIC Food Delivery and MIS Sections have been communicating with the retailer population on an ongoing basis since the beginning of the WIC EBT planning phase in May 2010. WIC staff has developed a series of notifications educating retailers about the project and providing an EBT-ready checklist and current ECR system requirements. This information will be posted on the internet and sent directly to retailers once the project plan and timeline are approved by FNS.

Arkansas WIC and the Project Implementation Contractor will consistently monitor retailer readiness in the pilot area up to and during system implementation. The program has recently completed an updated retailer ECR survey to ensure all retailers are aware of the transition to WIC EBT and to confirm existing system hardware and software currently in use statewide.

The Project Implementation Contractor will be tasked with finalizing the details of the retailer integration plan and will present the recommendations to Arkansas WIC, FNS, other project contractors, and the Arkansas eWIC Vendor Team's consideration. At a minimum, the plan shall include an on-site retailer kick-off meeting, follow-up to the most recently completed store surveys, timeline for ordering and receiving state-sponsored POS equipment, precertification and certification testing schedules, and training plans with detailed coordination.

10.4 NUMBER OF LANES TO BE EQUIPPED IN EACH PILOT STORE

The minimum number of store lanes to be equipped to transact Arkansas WIC EBT in the Miller County area is eleven, using the guidelines based on average monthly WIC sales and comparing the formulas to the current level of WIC redemptions as shown in TABLE 10-4 below. It is worth noting that four (4) stores in the pilot area are already accepting Texas WIC EBT and all stores except two have ECR systems that are certified in Texas.



AVERAGE MONTHLY WIC SALES	NUMBER OF LANES FUNDED
\$1 - \$15,999	1
\$16,000 – \$23,999	2
\$24,000 – \$31,999	3
\$32,000 and above	4

*Texas WIC Program, Policy No. WV: 12.0, August 1, 2010

TABLE 10-4

Vendor	Cash Registers	Physical Location	Monthly WIC Redemptions FFY 2012	ECR Certified by TX WIC	TX WIC EBT Authorized	Min # of EBT Terminals
SUPERVALUE FOODS #0720	4	AR	\$ 18,220	No	No	2
WAL-MART SUPERCENTER #468	35	AR	\$ 49,823	Yes	Yes	N/A
SAVE A LOT	5	AR	\$ 5,416	Yes	No	1
REHKOPF'S #5057	4	AR	\$ 5,113	Yes	Yes	N/A
ALBERTSON'S # 4111	11	AR	\$ 9,940	Yes	No	1
WAL-MART SUPERCENTER #2123	45	TX	\$ 7,980	Yes	Yes	N/A
SUPER 1 FOODS #618	15	TX	\$ 2,065	Yes	Yes	N/A



While the last column in the table shows the estimated number of state-assisted EBT terminals based on the redemption formula, retailers are encouraged to purchase any number of additional terminals they feel necessary to support WIC EBT in their stores. In addition, most of the stores in the pilot area will not require state-funded equipment assistance, as they are already capable of accepting smartcard WIC EBT.

10.5 RETAILER INTEGRATION REQUIREMENTS, DOCUMENTATION, AND CERTIFICATION REQUIREMENTS

It is the goal of the Arkansas Department of Health that as many WIC vendors as possible integrate the EBT transaction set into their own electronic payment systems (EPS). To do so Arkansas WIC will establish procedures to certify retailer payment systems in accordance with the FNS document, “WIC Operating Rules Draft for publication.pdf,” dated December 21, 2010.

Only retailers authorized by Arkansas to participate in the program will be allowed to integrate WIC EBT into their payment systems. In the case of Wal-Mart Supercenter #2123, Rehkopf’s, or Super 1 Foods #618, we may be able accept Texas’ certification, provided we can confirm the location of the store with Texas WIC and have USDA FNS’s approval to do so.

During the pilot project, a retailer that applies to become a WIC vendor in Miller County must demonstrate the capability to accept smartcard EBT cards and be able to exchange claim, APL, HCL, and Auto Reconciliation files electronically with the State prior to being authorized by the WIC Program at the completion of the evaluation. This confirmation will be accomplished through in-store certification of the vendor’s ECR system. The state agency will develop a policy indicating that new vendors will not be added to the program in Miller County immediately before and during the pilot.

Arkansas will adopt the standardized certification test scripts used by the other smartcard WIC EBT entities that will test the EBT functional requirements relevant to the point-of-sale, including the entire transaction set. In addition, the testing will include ad hoc, or “what if” test scenarios. Arkansas will supply a test platform and test cards for certification to the vendor’s staff and/or consultants and WIC staff will certify the system at the retail point-of-sale prior to authorizing the store to process WIC EBT transactions.

Following initial certification, Arkansas WIC will require ongoing and as-needed recertification of vendors when their payment systems are upgraded or changed. In addition, recertification may be required in the event that a vendor experiences a system failure or outage that requires corrective









activity. Costs for recertification activities due to system failure will be assessed to whichever entity is liable for the problem, as determined by the state agency.

With regard to integrating WIC EBT transactions into existing ECR systems, there are approximately a dozen ECR/POS systems that are currently in use among Arkansas retailers. Some are widely used while others are used in only a handful of the more than 400 WIC vendor locations. A number of these systems have already been certified for smartcard WIC EBT.

TABLE 10-5 provides a listing of POS systems reported on the WIC vendor surveys from June 2010 and December 2011, and the states in which they are certified for smartcard WIC EBT. The analysis is restricted to local and regional chains, as well as owned and operated stores in Arkansas. It excludes national retailers like Wal-Mart and Kroger, for which certification information is readily available.

TABLE 10-5

POS Systems Used by Non-National Retailers Operating in Arkansas

POS System	Approximate Deployment (# Stores)	Certified in Texas/New Mexico
ACS IR 6.0 xx	81	
ISS 45	29	
BRData Retail Boss v. 1063	19	
RORC ViPOS	11	
StoreNext Retalix	8	
Market Master	7	
Logic Vision/L-Boss/L-POS	7	
EzScan	5	
S4 Database v.6	4	
ECRS Catapult	3	
Sharp	2	
StoreNext Scan Master	1	
Casio SA2100	4	
Undefined/None	24	



The systems used by the non-national chain supermarkets include derivative systems and multiple versions. An example of this is the ACS IR 6.0 xx series that includes versions 6.0, 6.01 xx and 6.2.

Of these systems, four dominate the Arkansas market: the ACS IR series, the ISS 45, BRData Retail Boss, and RORC's ViPOS system. Three of these four systems are already certified for use in the Texas/New Mexico offline WIC EBT system.

Through regular eWIC Vendor Team Meetings, monitoring project progress in other states, and communications with POS system providers in Arkansas, the WIC Program will update and maintain a current database of ECR equipment in the state to help in the planning for EBT statewide.

10.6 USE OF STATE AGENCY AND CONTRACTOR RESOURCES FOR RETAILER MANAGEMENT

Arkansas estimates that retailer management will require one FTE, which will be supplied by the state agency. The financial impact of retail management is documented in the ADH WIC Feasibility Study and Cost Benefit Analysis, approved July 28, 2011, in the spreadsheet "WIC Staff Labor Costs—Food Delivery Operations and Support." Retailer management functions will include monitoring the hot card list, support of the APL/UPC database, maintaining program integrity through vendor education, conducting compliance and cost containment activities, and other tasks normally associated with assuring that clients can redeem their benefits at WIC stores authorized and certified for WIC EBT. Lost or stolen EBT cards will be reported to the WIC Clinics and these issues will be coordinated with the WIC State Office. The state agency is still developing the policies related to participant support and education.

The Arkansas WIC Food Delivery and MIS Sections have been working closely with other smartcard EBT states for several months in anticipation of this transition. Existing staff roles and responsibilities are already shifting in some areas to prepare for WIC EBT and the requirements for filling vacant positions are being rewritten with these changes in mind.

The Program recognized that modifications in the duties of existing positions are required to support the retailer management aspects of EBT. Arkansas WIC is fully prepared to plan for and train staff in changes to duties and responsibilities so that each retailer receives the necessary program support and oversight.



10.7 RETAILER TRAINING FOR STAND-BESIDE AND INTEGRATED SYSTEMS

The principal vehicle for retailer training will be WIC MIS and Food Delivery Regional staff. The Implementation Project Contractor will be tasked in the review and management of any training manuals or presentations prepared by Arkansas WIC and distributed to vendors. Retailer training activities and materials will have two targeted audiences: integrated retailers and retailers operating stand-beside systems, if any.

Any manuals and materials developed will be at a sixth grade reading level, and will be produced in English and Spanish. Arkansas WIC will provide training directly to the independent owned-and-operated stores in the pilot area. It is likely the national and regional chain supermarkets, which account for the bulk of the WIC redemptions in Miller County, will opt to develop their own training materials and train their own employees with guidance from the program.

While Arkansas supports this concept, it can potentially result in a lack of quality control over training as each company prepares its own materials, which may contain factual inaccuracies. To reduce the probability of training errors, Arkansas will review EBT training materials prepared by others prior to the pilot project.

10.8 EQUIPMENT DEPLOYMENT FOR NON-INTEGRATED SYSTEMS

Equipment for non-integrated vendors will consist of three items: a point-of-sale (POS) terminal with printing capabilities, a hand-held barcode scanner, and a back-end server. Unlike integrated systems, the POS terminal will not have any connectivity to the store electronic payments system as shown in the FIGURE 10-8.

With this configuration the in-store server will connect to the EBT claims host at least once each 24-hour cycle to download updates to the APL/UPC database and retrieve the list of cards reported lost, stolen or canceled. During the same connection to the EBT host, the store's benefit transaction file will be uploaded from the in-store server to the EBT claims processor for payment.

In a stand-beside system it is necessary to double-scan WIC food items, once on the WIC stand-beside system to qualify purchases and enable food redemption reporting and financial settlement, and a second time on the in-store POS to record the item and price sold. While this configuration provides a cost-effective approach to WIC EBT for small stores with limited technology, WIC transactions take more time in the lane because of the double-scan, and participants must continue to separate WIC eligible food items from non-WIC food items, either in the basket, on the belt, or by hand-selecting items and handing them to the cashier. Another disadvantage to the

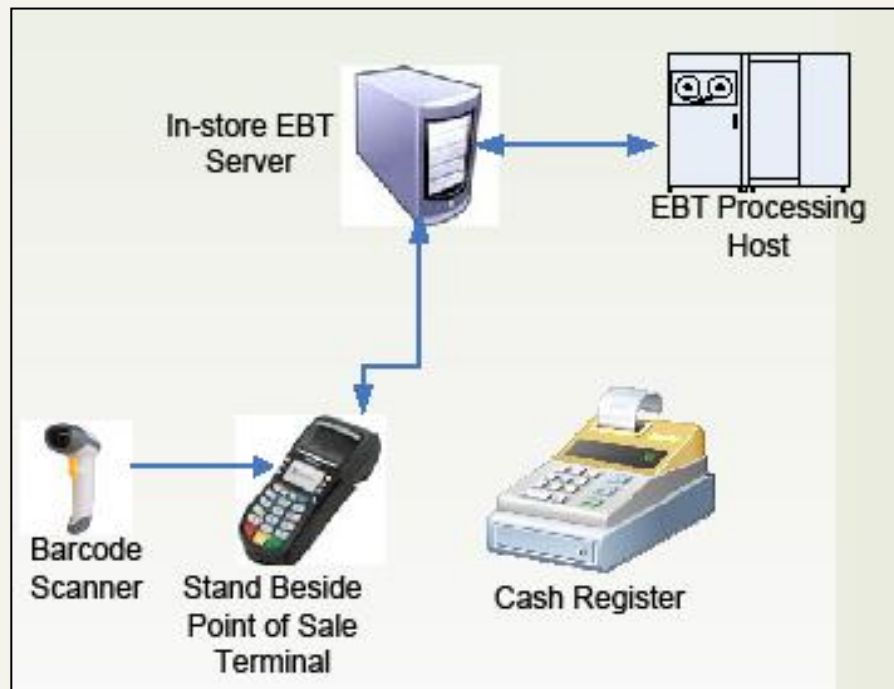


stand-beside configuration is the equipment required to transact WIC smartcard EBT purchases takes up valuable counter space in the checkout lane.

Arkansas WIC will continue working with retailers and the Project Implementation Contractor to establish more definite projections as to the number of non-integrated systems that will be deployed during statewide EBT rollout. However, preliminary figures indicated less than 25 stand-beside systems will be required.

FIGURE 10-8

**Configuration of Non-Integrated WIC Point-of-Sale Store System
(Point-of-Sale Terminal with Printing Capabilities)**





11. SECURITY PLANNING

The Arkansas WIC Program is committed to ongoing Systems Security safeguards to protect the agency, retailers, and participants against deliberate or inadvertent acts, including:

- Unauthorized disclosure of sensitive information or manipulation of data
- Denial of service or decrease in reliability of critical information system assets
- Unauthorized use of systems resources
- Theft or destruction of systems assets
- Fraud, embezzlement, or misuse of resources and assets

The Arkansas Department of Health and ADH WIC and ITS are continually modifying and developing security plans and policies in order to meet the goals of achieving data integrity, maintaining systems-reliability, complying to state and Federal regulations, and meeting the goal of maintaining system continuity of operations.

The EBT Claims Processor will be required to provide assurances that all systems and processes related to the Arkansas WIC Program's EBT Contract adhere to the *FNS EBT Security Guidelines Handbook*, Version 6.0, February 2004, and will be required to undergo an annual American Institute of Certified Public Accountants Type II SSAE-16 Audit. The EBT Claims Processor will bear the costs associated with the annual audit. The ADH EBT Claims Processor RFP and contract will include relevant language to that effect. The security requirements must be consistent with guidance issued by the National Institute of Standards and Technology (NIST) SP 800-53 and FIPS 199 & 200 with regard to:

- **Access control:** limiting information system access to authorized users, processes acting on behalf of authorized users, or devices (including other information systems), and to types of transactions and functions that authorized users are permitted to exercise.
- **Audit and accountability:** creating, protecting, and retaining information system audit records that are needed for the monitoring, analysis, investigation, and reporting of unlawful, unauthorized or inappropriate information system activity, and ensuring that the actions of individual users can be traced so that the individual users can be held accountable for their actions.
- **Awareness and training:** ensuring that managers and users of information systems are made aware of the security risks associated with their activities and of applicable laws, policies, and procedures related to security, and ensuring that personnel are trained to carry out their assigned information security-related duties.



- **Certification, accreditation, and security assessments:** assessing security controls for effectiveness, implementing plans to correct deficiencies and to reduce vulnerabilities, authorizing the operation of information systems and system connections, and monitoring system security controls.
- **Configuration management:** establishing baseline configurations and inventories of systems, enforcing security configuration settings for products, monitoring and controlling changes to baseline configurations and to components of systems throughout their system development life cycles.
- **Contingency planning:** establishing and implementing plans for emergency response, backup operations, and post-disaster recovery of information systems.
- **Identification and authentication:** identifying and authenticating the identities of users, processes, or devices that require access to information systems.
- **Incident response:** establishing operational incident handling capabilities for information systems, and tracking, documenting, and reporting incidents to appropriate officials.
- **Maintenance:** performing periodic and timely maintenance of systems, and providing effective controls on the tools, techniques, mechanisms, and personnel that perform system maintenance.
- **Media protection:** protecting information in printed form or on digital media, limiting access to information to authorized users, and sanitizing or destroying digital media before disposal or reuse.
- **Personnel security:** ensuring that individuals in positions of authority are trustworthy and meet security criteria, ensuring that information and information systems are protected during personnel actions, and employing formal sanctions for personnel failing to comply with security policies and procedures.
- **Physical and environmental protection:** limiting physical access to systems and to equipment to authorized individuals, protecting the physical plant and support infrastructure for systems, providing supporting utilities for systems, protecting systems against environmental hazards, and providing environmental controls in facilities that contain systems.
- **Planning:** developing, documenting, updating, and implementing security plans for systems.
- **Risk assessment:** assessing the risk to organizational operations, assets, and individuals resulting from the operation of information systems, and the processing, storage, or transmission of information.
- **Systems and services acquisition:** allocating resources to protect systems, employing system development life cycles processes, employing software usage and installation



restrictions, and ensuring that third-party providers employ adequate security measures to protect outsourced information, applications, or services.

- **System and communications protection:** monitoring, controlling and protecting communications at external and internal boundaries of information systems, and employing architectural designs, software development techniques, and systems engineering principles to promote effective security.
- **System and information integrity:** identifying, reporting, and correcting information and system flaws in a timely manner, providing protection from malicious code, and monitoring system security alerts and advisories.

The SPIRIT Application utilizes a three-tier security model to restrict application access to only authorized users. Specific application functions have access restricted based on the concept of role-based assignment through the Management Console Module. These features are grouped into Locations/Clinics, Roles (such as Central Admin or CPA), and finally by the staff member. WIC staff are assigned specific roles within SPIRIT once access to the system is acquired through ADH ITS's gateway program, Common Customer. Requests for role assignments must be authorized and initiated by management and regional level WIC staff and all requests are documented and maintained as a permanent record for audit purposes. For the EBT functionality that will be developed, new features will be created and the application must restrict access to only authorized staff.

These types of security features are supported by a number of agency policies, some very recent, specifically focused on security and privacy protections. For example, GEN-10: ADH INFORMATION SYSTEMS PASSWORD REQUIREMENTS and GEN-11: SAFEGUARDING OF CREDITIALS became effective on 9-29-09. The policies address requirements for password length and structure, password change requirements, and systems authentication.

Access to the ADH network are governed by the policies ADH-1091, ADH-1085, and ADH-4006, which require all persons accessing the state's network to be identified and authenticated. The policies also specify acceptable use of resources, e-mail privacy, HIPAA regulations, and minimum conduct standards. Every Arkansas Department of Health employee is required to review these policies on an annual basis as a condition of continued employment.

Separation of duties is another important aspect of the WIC Program's policies and these features will be maintained with the transition to EBT. Through effective and consistent role-mapping procedures and assignment of duties, users are able to separate individual key duties, such as authorizing, approving, and issuing benefits or receiving assets such as WIC Check stock and/or EBT cards, and recording or auditing to minimize the risk of loss. Physical security of assets will also be



reviewed on an ongoing basis to ensure there is adequate locked storage available to protect against fraud and loss.

The Arkansas WIC Program strives to achieve and maintain conformance to the Federal Information Security Management Act of 2002 and OMB Circular A-130 and all specific MIS/EBT system requirements of the USDA FNS. The PMT and Project Implementation Contractor will continually assess the program's adherence to all security requirements throughout the EBT planning, development, and pilot phases and will ensure that Arkansas WIC retailers are aware of any EBT-specific state and federal regulations.



12. TRAINING PLAN

One of the primary functions of the Project Implementation Contractor will be to prepare a detailed Knowledge Transfer and Training Plan as a part of the Pilot Project. The purpose of the plan is to describe the approach for bringing WIC state office, regional, and clinic staff and retailers to a familiar level of understanding with how the new WIC EBT system works. It is likely that the training plan will be modified during and after the pilot project when areas requiring attention or inaccuracies are identified. Miller County will provide a manageable platform in which the program may assess how effective clinic, participant, and retailer training approaches are and where improvements or modifications are necessary prior to statewide rollout of the EBT system.

The Knowledge Transfer and Training Plan shall address, as a minimum, the following topics:

- Training goals/standards and the specific plan for training different audiences
- Strategy for providing training in a time-appropriate manner in the project to allow the training goals to be effectively implemented
- Tasks and resources necessary to complete the training effort and identify the tools and documentation required
- The different types of training, course materials, the training approach for different system users, and how training effectiveness shall be measured and addressed
- A description of deliverables to support initial and ongoing training including user manuals, written flyers and/or brochures, on-line help, and on-site training either in-person or via visual/video aids
- Knowledge transfer procedures to enable WIC staff to operate and maintain the new system, including guidelines to support security and privacy requirements, and to be able to effectively resolve retailer and participant questions and concerns
- Metrics for tracking progress in achieving training and knowledge transfer objectives

Recommendations from project contractors for training and knowledge transfer before, during, and after the project pilot will allow WIC staff the ability to project the training needs and scheduling efforts required for statewide expansion of the EBT project.



13. COST EVALUATION STUDY

Immediately following the completion of the Miller County, Arkansas WIC EBT Pilot Project, the WIC Program will complete a thorough cost evaluation plan for review and consideration by USDA FNS. The Project Implementation Contractor will oversee the development of this product during the pre-pilot planning phase of the project. WIC will use either the FNS National Cost Evaluation Tool or the recently approved tool developed by Burger, Carroll & Associates (BCA). The BCA costing tool was used successfully for the Arkansas Feasibility Study and Cost Benefit Analysis.



14. STATEWIDE EXPANSION RETAILER/CLINIC MANAGEMENT PLANS

Contingent on USDA FNS approval of the post-pilot Cost Evaluation Study, Arkansas WIC will plan for statewide rollout phasing for the WIC EBT system. The program will begin developing the Retailer and WIC Clinic Enablement and Management Plans prior to and during the pilot project with the contributions from all project stakeholders and expertise provided by the Project Implementation Contractor. The proposed plans will be submitted to USDA FNS for review and approval before including any additional retailers or clinics in the new WIC EBT system.



15. APPENDIX A: PILOT PROJECT ANTICIPATED OUTLAYS

	Oct12-Dec12	Jan13-Mar13	Apr13-Jun13	Jul13-Sep13	Oct13-Dec13	Jan14-Mar14
Cost Element	1st Quarter FFY2013	2nd Quarter FFY2013	3rd Quarter FFY2013	4th Quarter FFY2013	1st Quarter FFY2014	2nd Quarter FFY2014
Personnel (E/F)						
Travel (E/F)						
Offline EBT Development Contractor (E/F)					\$50,000.00	\$100,000.00
Implementation Project Contractor (E/F)					\$20,000.00	\$20,000.00
EBT Claims Processor (E/F)						
Retailer Equipment Costs (E/F)						
Pilot Clinic Costs (E/F)						
EBT Card Costs (E/F)					\$598.00	\$4,900.00
Training Materials (E/F)						\$1,200.00
WIC Demo ECR Systems (E/F)				\$22,000.00	\$11,000.00	
ADH/WIC MIS Test Room (A)	\$139,713.01	\$40,040.83				
TOTAL	\$139,713.01	\$40,040.83	\$0.00	\$22,000.00	\$81,598.00	\$126,100.00

(A): ACTUAL COSTS – The WIC EBT Lab was completed on March 1, 2013 with additional FFY2012 OA funding of \$183,150

(E/F): ESTIMATED/FUNDED – Some specific costs were not identified in the original grant approval; however all costs fall within the existing pilot project budget (FNS approval for redirections will be requested)

(E/NF): ESTIMATED/NOT FUNDED – n/a at this time



Apr14-Jun14	Jul14-Sep14	Oct14-Dec14	Jan15-Mar15	Apr15-Jun15	Jul15-Sep15	
3rd Quarter FFY2014	4th Quarter FFY2014	1st Quarter FFY2015	2nd Quarter FFY2015	3rd Quarter FFY2015	4th Quarter FFY2015	TOTAL
	\$3,643.20	\$3,643.20	\$3,643.20	\$3,643.20	\$3,643.20	\$18,216.00
\$2,500.00	\$2,500.00	\$5,000.00	\$5,000.00	\$5,000.00		\$20,000.00
\$100,000.00	\$50,000.00					\$300,000.00
\$20,000.00	\$20,000.00	\$20,000.00				\$100,000.00
\$29,551.00	\$29,551.00	\$29,551.00				\$88,653.00
	\$3,500.00	\$3,500.00				\$7,000.00
	\$700.00	\$1,582.00				\$2,282.00
\$1,932.00	\$1,932.00					\$9,362.00
\$1,200.00	\$1,200.00	\$1,200.00				\$4,800.00
						\$33,000.00
						\$179,753.84
\$155,183.00	\$113,026.20	\$64,476.20	\$8,643.20	\$8,643.20	\$3,643.20	\$763,066.84